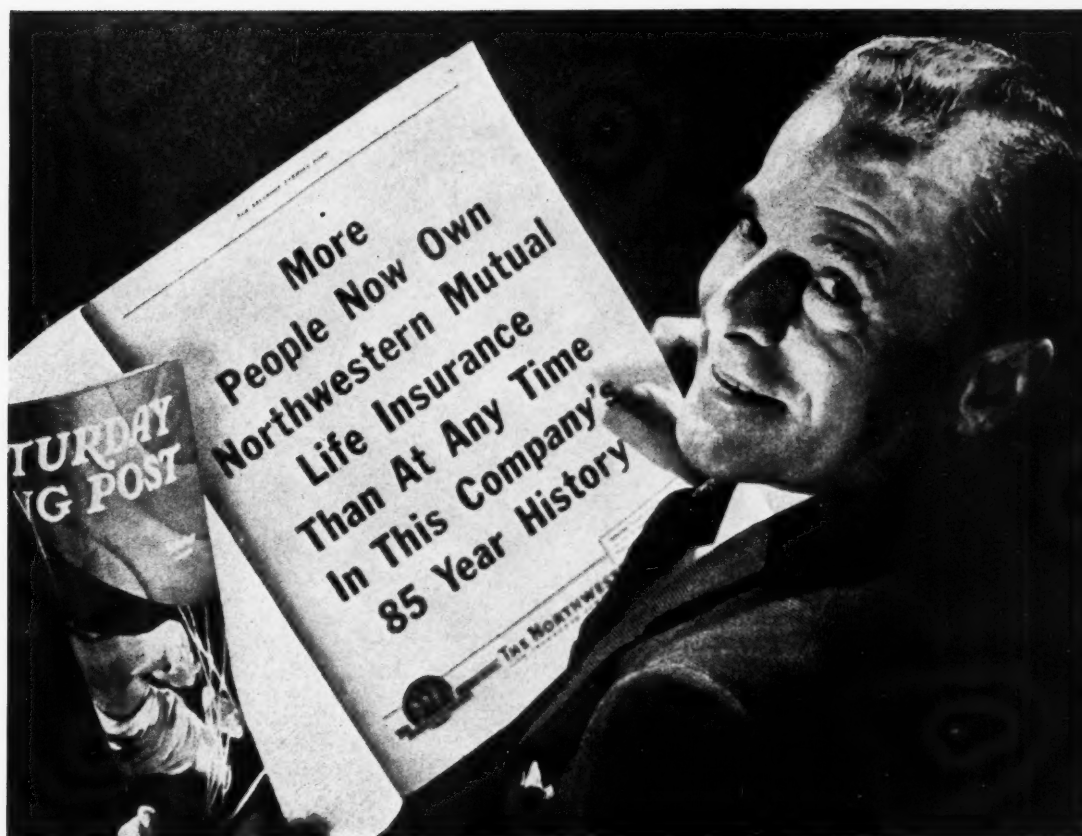


# The NATIONAL UNDERWRITER

## Life Insurance Edition

This ad will appear in the Saturday Evening Post, issue of March 28, 1942



### "And that's not the half of it!"

Sound growth, year after year, shows a company's stability. Here are other facts of real significance to you who seek financial security for yourself and your family.

HOW a company does its job... the attitude of its policyholders toward it... the specific advantages it can demonstrate: these can serve you as guides in judging that company.

For instance, assets of The Northwestern Mutual, at the end of 1941, were at an all-time high of \$1,439,899,824, an increase of 6% over the previous year. There has never been a year since the establishment of this Company in which assets have not increased.

For years, nearly half of The Northwestern Mutual's new business has come from its own policyholders. That they not only come back for

more, but keep what they have is clearly shown by the fact that voluntary termination of policies was the lowest in all except one year of the Company's history. Such termination amounted to only 2.68% of business in force at the beginning of the year.

Thanks to careful selection of policyholders, actual mortality for 1941 was even more favorable than in 1940, which had been a highly satisfactory year. Operating expenses, already at a low level, were reduced still further. The net rate of interest earned was maintained at the same level as in 1940.

These are major factors in providing insurance at low net cost to policyholders... major reasons why The Northwestern Mutual can continue its 1942 dividends to policyholders on the same favorable basis as in 1941.

Your Northwestern Mutual agent can give you further evidence of the quality of this Company's stewardship, not only for last year, but for all the 85 years of its history. Ask him why The Northwestern Mutual is known to be pre-eminently the policyholder's company. Ask him what that means to you in terms of low-cost protection. The facts—all the facts—are yours for the asking.



WE ARE

**THE NORTHWESTERN MUTUAL**  
LIFE INSURANCE COMPANY • MILWAUKEE, WIS.

Admitted Assets of the Northwestern Mutual are now the highest in the company's 85-year history.

FRIDAY, APRIL 3, 1942



**A**chieving victory for America is the first job of every American today.

It is also the paramount obligation of every American institution.

As a fundamental democratic institution of thrift, life insurance has a vital role to play in America's war effort. Its stabilizing influence on the economic and family life of the Nation will be an important factor working for victory.

Life insurance has made great contributions to the Nation's welfare in the past. Today it is in a position to be of greater service to our country than ever before.

The funds of life insurance companies aid in the war effort through the investment in Government Bonds and through capital provided to industry to produce needed materials.

*The Equitable has \$407,120,000 invested in United States Government securities and \$1,491,595,000 at work in industry and business.*

In war, the unceasing flow of life insurance benefit payments to America's families plays an even more important role than in peace time in strengthening the social and economic fabric of the Nation.

*The Equitable paid out \$209,526,000 in benefit payments to policyholders and beneficiaries in 1941.*

In war, the family security that life insurance creates helps to build and maintain national morale, and sound national morale is essential to victory.

*The Equitable provides \$7,607,000,000 of life insurance protection for persons in all walks of life.*

Just as every individual policyholder will make the utmost personal contribution toward our war effort, so the management of The Equitable will work and plan with the one objective that transcends all else—helping America to achieve victory.

*Thomas T. Parkinson*  
PRESIDENT

## THE EQUITABLE LIFE ASSURANCE SOCIETY OF THE UNITED STATES

*A Mutual Company organized under the laws of the State of New York*

393 Seventh Avenue

New York, N. Y.



# The NATIONAL UNDERWRITER

Forty-sixth Year—No. 14

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, APRIL 3, 1942

\$3.00 Year, 15 Cents a Copy

## Company Men Confer on Tax Formula in Chicago

### Life Presidents and A.L.C. Committees Seek to End Inequitable Distribution

Thirty-five officials of companies in the Life Presidents Association and the American Life Convention held a two-day joint meeting in Chicago this week in an effort to prepare a tax formula which would be acceptable to small and large, eastern and western companies, and also to the U. S. revenue bureau. While a final formula did not come forth from the conference, much progress was made toward the objective of ending the present situation under which a very small western company might pay as great a corporation income tax as one of the largest companies.

### Not Opposed to Taxation

The company men present, including members of the A. L. C. executive committee, of which A. J. McAndless, Lincoln National Life and A. L. C. president, is chairman, and the Life Presidents tax committee, headed by C. G. Taylor, Metropolitan, as chairman, do not object to the proposal in the new revenue bill calling for life companies to pay a much greater tax than in the past, it was made clear. They merely want to wipe out the inequity which would result from the Treasury Department's formula.

Washington has not given an inkling of what gross amount of tax it expects to collect from the life companies, although it is estimated the sum would be about \$35,000,000. Under existing law corporation income tax collected from life companies is a negligible amount.

### Would Have Serious Effect

The western companies, strangely enough, in this tax matter suffer from too high an interest rate on investments. The government's tax formula is predicated on interest rates only. Thus the western companies, representing it is said approximately 5 percent of the business in force, would be required to pay around 20 percent of the tax total. This is felt to be almost confiscatory, and some company leaders feel many western and southern companies would be seriously affected, and even might not be able to continue long in the business on such a basis.

### Treasury Rejected Proposal

The Life Presidents and A. L. C. committees not long ago agreed on a tax formula which was submitted to Treasury officials but was rejected.

Other conferences will be held in an effort to even up the distribution of tax. Several executives favor a premium tax on new issues only, that would be handled as a surcharge.

## Andrews for Secretary Campaign Is Announced

Formal announcement of the campaign to elect W. H. Andrews, Jr., of Greensboro, N. C., as secretary of the National Association of Life Underwriters at the Minneapolis convention was made this week by Alvin T. Haley, general agent of Massachusetts Mutual Life in Greensboro, who is chairman of the committee. That Mr. Andrews would loom up for the position this year was taken for granted last year after the close contest between him and H. A. Hedges, Equitable Life of Iowa, Kansas City. Mr. Haley makes the announcement in the form of a letter that Charles J. Zimmerman, Connecticut Mutual, Chicago, past national president, is sending to his friends.



W. H. Andrews

"Last year at Cincinnati Bill Andrews was a candidate for the secretaryship of the National association," Mr. Zimmerman writes. "Although Bill was not elected, the feeling between him and Herb Hedges, the successful candidate, as well as the entire convention was so friendly that I believe Bill left the convention with even greater support than he had had before."

Andrews Gives Consent  
"Many members of the National association have asked Bill to again run for the office of secretary at our convention in Minneapolis and Bill has given consent to have his name entered as candidate for secretary."

"Because of the seriousness of the times, any active campaign this year would seem to be in poor taste. In line with this thinking on Bill's part, he has permitted me to state that he will gladly accept the office of secretary of the National association if the convention at Minneapolis thinks he is the man for the job—as I believe he is."

"It goes without saying that he will continue to give his very best to the National association regardless of what the outcome of this election might be."

"I have worked with Bill on the board of trustees and on a number of committees. He has been 100 percent in attendance, but even more important, he has discharged every assignment given him with great thoroughness and efficiency."

## Move to Prevent National Banks in N. Y. Acting as Life Agents

NEW YORK—The amendment to the insurance law which would prevent the issuance of licenses to national banks to act as life insurance agents has been passed by the state senate and is awaiting action in the assembly. The language of the amendment clearly limits its application to the life insurance field. It states, however, "no license or renewal

## May Restore Disability Cover After War

NEW YORK—Evidence of insurability will be required for the reinstatement of the type of income disability coverage which terminates automatically when the insured enters military service, a survey of the practices of representative companies indicates. However, insured who qualify will be given the same benefits that they had before entering the service and the apparent intention of the companies is to be as lenient as possible in applying tests of physical fitness.

### No Reinstatement Provision

Income disability provisions of most companies' policies provide for termination when the insured enters military service and there is no contractual provision for reinstatement. Technically and legally the companies having this type of clause are under no obligation to reinstate but as a practical matter the natural course would be to deal as liberally as possible with former service men. There is considerable variation in the income disability provisions regarding war service.

A few companies, among them Prudential, do not exclude disability claims even though injuries are incurred in actual battle. Some, such as Equitable Society, exclude claims only if they result from war service. Since there is full coverage for disabilities arising out of accidents or illnesses other than those directly resulting from war service, these companies are not waiving the disability portion of the premium as do companies like Metropolitan Life, for example, which have policies suspending benefits while the insured is in military or naval service in time of war.

thereof authorizing the licensee to act as an insurance agent in respect to life insurance, including for this purpose annuity contracts and supplemental contracts or non-cancellable disability insurance, shall be issued to a corporation unless it is engaged solely in the insurance business. Nothing contained in this section shall be construed as affecting savings banks with respect to the sale of life insurance as provided by article 6A of the banking law."

### No Hardship on Others

While this change in the law would not prevent a national bank from entering into an arrangement with a licensed agent to write insurance on such of the bank's customers as cared to buy, it would be illegal for the bank to receive commissions, either direct from the company or general agency or from the agent himself.

The amendment, because it specifies that no license shall be issued to a corporation unless it is engaged solely in the insurance business, might seem to work a hardship on concerns which are in both the real estate and insurance business. However, such offices do only a very small amount of life insurance business and no particular complication would be caused by having one of the members of the firm licensed personally rather than the corporation's being licensed.

## Memphis Rally Proves Value of War Time Sessions

### N. A. L. U. Mid-year Gathering Treats Important Issues

### By LEVERING CARTWRIGHT

The mid-year meeting of the National Council of the National Association of Life Underwriters in Memphis constituted pretty convincing evidence that meetings in war time are worthwhile and necessary, not only for the making of decisions and taking action, but to give leaders in the business an opportunity to compare notes and get courage and conviction from one another. Perhaps if the mid-year meeting had seemed frivolous against a background of war, grave doubts might have arisen as to the desirability of going through with the plans for the annual convention in Minneapolis in August. But there was so much action of first importance taken at Memphis and the whole proceedings were so closely attuned to the war time atmosphere the importance of holding the annual meeting became definitely manifest. President John A. Witherspoon announced without reservation that the Minneapolis meeting will be held unless there is a definite request from Washington that it be called off.

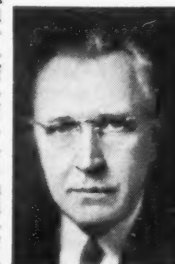
Announcement was made that Maxwell L. Hoffman, who has been executive secretary, had been appointed

managing director and chief administrative officer of the association, following the death of Roger B. Hull recently. Mr. Hoffman has been with the association about 14 years and previously was executive secretary of the Cleveland association. Wilfrid E. Jones is named editor and executive secretary while Don Barnes has been given the title of assistant editor and director of research.

A special committee that was appointed to make recommendations as to the new head office setup following the death of Mr. Hull gave its report to the trustees at Memphis but the latter apparently decided to defer making a final decision at that time except as to Messrs. Hoffman, Jones and Barnes.

It is understood that the committee recommended the employment of three field secretaries with headquarters in cities other than New York.

President Witherspoon stated that he was eager to be able to announce a final decision at Memphis and the trustees



Max Hoffman

(CONTINUED ON PAGE 9)

## Zimmerman Analyzes Current U. S. Tax Issues

A comprehensive sizeup of the numerous federal tax issues currently being considered that touch the life insurance business directly was given by C. J. Zimmerman, Connecticut Mutual, Chicago, in reporting as chairman of the committee on federal law and legislation at the meeting of the National Association of Life Underwriters in Memphis. It was a masterful presentation and Mr. Zimmerman was given an ovation when he had finished.

Mr. Zimmerman asserted that the dangers to be guarded against in any tax program are that the burden may destroy the incentive of the individual to achieve, destroy his ability to create security for himself and family and destroy morale of the citizens; that the burden may fall so heavily on industry and business that they could not survive readjustment from a war time to a peace time economy; that the cost would fall disproportionately upon the middle class and tend to destroy that class.

### Fundamental Principles

Mr. Zimmerman said that all classes of society must share the cost of financing a war and these burdens must be borne willingly and uncomplainingly. It is desirable to pay for as great a portion of the cost of war as possible through taxation. Life insurance must not expect any benefits or tax considerations to which the owners of life insurance are not entitled from a broad social standpoint. The N. A. L. U. is not a lobbying organization. It has cooperated with the Treasury as well as with Congress on an open and friendly basis and the N. A. L. U. is the best agency to express and defend the interests of policyholders.

In taking up the question of a proposed increase in federal income tax upon life insurance companies, Mr. Zimmerman stated that the life companies in 1940 paid into the federal treasury \$459,000 in taxes. The Treasury department has proposed a new formula for taxation which would raise an estimated \$60,000,000. Mr. Zimmerman pointed out that this would amount to a tax of about \$1 a year on each policyholder and he asked whether the tax authorities would consider the imposition of a direct tax of \$1 a year on each policyholder. This would, he contended, discriminate against this group that is exercising sound social impulses. A tax on the companies is a tax on the policyholders, by far the greatest percentage of whom are in the very low income brackets and are least able to bear the additional tax burden, Mr. Zimmerman stated.

### Increased Cost of Insurance

Such increased taxes must certainly result in an increased cost of insurance to the policyholder and the assured are already paying an increased cost due to

the depressed interest rates. The government is in a great measure responsible for depressing and maintaining the interest rates at depressed levels.

Mr. Zimmerman then took up the question of elimination of the \$40,000 life insurance exclusion from federal estate taxation and the substitution of a general exemption of \$60,000 to all forms of property for the present \$40,000 life insurance, exclusion and \$40,000 exemption of real and personal property.

The N. A. L. U. opposes elimination of the life insurance exclusion on the ground that life insurance is not testamentary in nature but it is indemnification, because life insurance is the soundest social instrument ever devised by mankind, because it is of tremendous economic benefit to the nation, because it makes a great contribution to the government and because life insurance is a device whereby the great middle class can be protected and maintained.

Mr. Zimmerman pointed out that the mere fact that a \$60,000 general exemption will permit a person to buy life insurance is not sufficient, since a man needs an incentive to buy life insurance. Life insurance, he pointed out, is the one instrument through which the average individual can protect the home. When the incentive is taken away for such protection a blow has been struck at morale.

### Historical Evidence

When the federal estate tax was enacted in 1916, he pointed out, no tax was imposed upon life insurance proceeds payable by reason of the death of the insured, regardless of the amount. Under the revenue act of 1918 provision was made for inclusion of insurance in the gross estate "to the extent of the amount receivable by the executor as insurance under policies taken out by the decedent upon his own life; and to the extent of the excess over \$40,000 of the amount receivable by all other beneficiaries as insurance under policies taken out by the decedent upon his own life."

Mr. Zimmerman said that if in 1918 when the \$40,000 exclusion was introduced into the act, this was considered a reasonable amount of indemnification for the protection of one's dependents, then certainly that limit is not unreasonable today. In 1918, the man earning \$10,000 after payment of taxes and living costs might very well have had four or five thousand dollars left over to purchase life insurance and for other investments. At an average age of 40, the insurance would have cost probably \$1,000 in premiums. Today that same individual with the same earning power would have, after payment of higher taxes and living costs left over possibly \$1,000 or \$1,500 and today his only opportunity of creating an estate is through

(CONTINUED ON PAGE 21)

## Benson Heads N.A.L.U. Nominators

Judd C. Benson, home office general agent of Union Central Life, is the chairman of the nominating committee of the National Association of Life Underwriters to bring in a slate of trustees and officers at the Minneapolis convention. Mr. Benson, in the ballot-



JUDD C. BENSON

ing at the mid-year meeting in Memphis to determine the membership of the nominating committee, received the highest number of ballots. However, instead of automatically becoming chairman for that reason, President John A. Witherspoon asked the nominating committee to elect its own chairman. The committee promptly named Mr. Benson, so he is doubly secure in the office.

The other members of the nominating committee are John D. Moynahan, Metropolitan Life, Chicago; F. G. Bray, New England Mutual Life, Houston; Edward R. Gettings, Northwestern Mutual Life, Albany, N. Y., and Frank Vesser, Reliance Life, St. Louis.

The nominating committee voted to offer the following recommendations relative to the proposal of candidates for officers and trustees of the National association: That in the interests of economy, no elaborate campaigns be prepared and carried out for any candidate. It is hoped that this will be followed literally. Realizing that the National association will face problems during the next year which will require the best efforts and a great deal of time from its officers and trustees, the nominating committee expects to invite local associations to suggest the names of men who, because of experience and proven ability, would be able to serve the National association in an unusual manner during their term of office. Plans were formulated to have each sponsoring association present the qualifications of

## Part-Timer Issue; Agent Entering Defense Job

### After Lengthy Debate

### N. A. L. U. Decides Not to Take Stand

The most spirited session at the mid-year meeting of the national council of the National Association of Life Underwriters in Memphis was that at which was discussed the question of whether the organization should take a stand on the propriety of life insurance agents continuing to solicit business after entering into defense work, either with private industry or with the government. The debate was rather long and the decision was not to adopt a resolution on the subject.

At the morning session Clancy D. Connell, Provident Mutual Life, New York, reporting as chairman of the agency practices committee, had touched upon the situation. He said that the problem is highly complicated and that at the risk of appearing to be weakened his committee's final recommendation was that each case be examined by the general agent and company and disposed of on its merits. It was indicated at that time that the resolutions committee headed by Homer L. Rogers, Equitable Society, Indianapolis, might bring in a memorial on the subject.

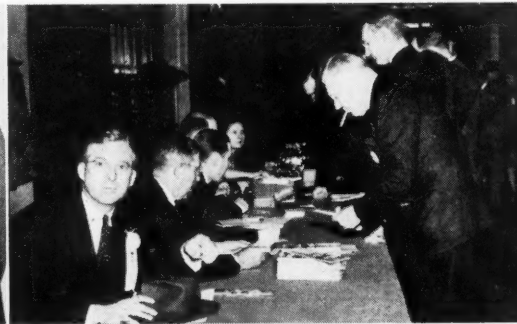
### Situation Controversial

Late in the afternoon Mr. Rogers submitted three resolutions, none of which pertained to defense workers. Warner Wilson, Guardian Life, president of the Cincinnati Life Underwriters Association, made inquiry as to what had become of that resolution. Mr. Rogers said that the committee found that the situation was so controversial that they

(CONTINUED ON LAST PAGE)

their nominee on a standard form in order that the nominating committee would have essentially the same information concerning all men being considered.

It is suggested that all material relative to the qualifications of nominees be mailed to the nominating committee at the earliest possible date as the committee expects to meet well in advance of the Minneapolis meeting to consider candidates and formulate their report. This, it is believed, will eliminate some of the confusion which has arisen at national conventions in the past due to an unusual amount of election activity during the convention.



AT THE MID-YEAR MEETING OF NATIONAL ASSOCIATION OF LIFE UNDERWRITERS IN MEMPHIS:

James M. McCormack, insurance commissioner of Tennessee and sales congress speaker; J. Allen Creath, manager Union Central Life at Birmingham, Ala., and Cecil Woods, president Volunteer State Life; scene at registration desk.

Those shown in the picture at the extreme right are Frank Devitt, general agent

for Capitol Life, Denver; Glen A. McTaggart, Prudential ordinary manager, Denver; Jul Baumann, Pacific Mutual, Houston, national trustee; Phil B. Hobbs, Equitable Society, Chicago, national trustee; Walter N. Hiller, Penn Mutual, president Chicago Association of Life Underwriters.



## Urges Prompt Sale of Foreclosed Real Estate

**Dr. Nadler Sees Price Rise During War But Uncertainty Afterward**

NEW YORK—The outlook for mortgage and real estate investments during and after the war was lucidly set forth by Dr. Marcus Nadler, professor of finance New York University, at the real estate mortgage clinic of the American Bankers Association.

Real estate values during the war are bound to be favorably affected, Dr. Nadler said, because the cost of production and shortage of raw material will sharply curtail the construction of homes and multiple dwellings except in areas favorably affected by the war effort. At the same time the demand for apartments and houses is bound to increase because of the increased purchasing power of the people.

Another factor is that laws setting a ceiling on rents will not apply to all types of property or to all localities. Also, it is reasonable to assume that many individuals who would not otherwise buy real estate will do so in the belief that it is a hedge against inflation.

### Unfavorable Factors, Too

However, not all factors are favorable to real estate, particularly in the New York metropolitan area. The war has already brought about a transfer in population to centers where new national defense plants have been erected. While some of these changes are temporary, others in all probability will become permanent. Another unfavorable factor for existing real estate is that the cost of repairs and maintaining property has increased very sharply and it is doubtful whether in many instances this increase will be counteracted by an increase in rents.

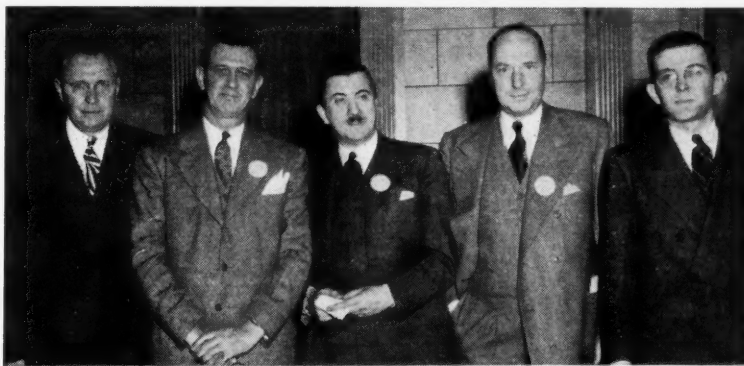
A tendency which Dr. Nadler said should be carefully considered by institutions holding real estate and mortgages is that the high income taxes, which constitute a heavy burden on all people with an income of \$5,000 and up will adversely affect properties which cater to people in this category.

### Sketches Postwar Picture

Dr. Nadler said that of perhaps greater importance to mortgage lenders and owners of real estate is the question of what real estate values will be after the present emergency has passed. While conceding that predictions as to what may take place after the war are extremely hazardous, he said that there are already certain tendencies which one can analyze fairly accurately.

First, great social changes are taking place. The war and the heavy burden of taxation are bringing about a redistribution of wealth. Purchasing power of people in the upper tax brackets is bound to be drastically curtailed. This in turn will undoubtedly affect values of homes and apartments catering to people in this category. This implies that the demand for large, luxurious dwelling homes and apartments designed for tenants in this income group will be very much smaller than in the past.

Incidentally, Dr. Nadler's conclusion on this point is in line with the attitude taken by many life companies which for the last year or so has been to limit the size of mortgage loans on any



GLIMPSES AT MID-YEAR MEETING OF NATIONAL ASSOCIATION OF LIFE UNDERWRITERS IN MEMPHIS:

Above—Officers and headquarters staff of N. A. L. U.: Maxwell Hoffman, managing director; John A. Witherspoon, John Hancock, Nashville, president; Wilfrid E. Jones, editor and executive secretary; Walter E. Barton, Union Central, New York, treasurer, and Don Barnes, assistant editor and director of research.

Below:—A group of Pennsylvanians: W. Rankin Furey, Berkshire Life, Pittsburgh, national trustee; Steacy Webster, Provident Mutual, Pittsburgh; Earle H. Schaeffer, Fidelity Mutual, Harrisburg, national trustee, and Clifford Orr, National Life, Philadelphia.

house to a certain flat amount, no matter what the value of the property may be.

In contrast to the trend among the

extremely well-to-do, Dr. Nadler pointed out that a new middle class is arising in the form of skilled labor

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## MORTGAGE PAID OFF

A physician who was having a store building constructed as an investment borrowed \$20,000 from his bank to finance the venture, then had the mortgage covered by \$20,000 of life insurance, assigning the policy to the bank as collateral assignee. Before the building was completed, there was an accident in which he lost his life. The \$20,000 life insurance went to the bank, saving his family from the debt and the bank from the loss—and the doctor's wife now owns the building.

Another policy of life insurance, bought at that same time, paid his wife a lump sum of \$2,000.

But he had also covered his family with other life insurance protection. Five years previously he had bought three policies of endowment income, and in 1939 he had bought still another policy, the total insurance on these four policies being \$7,468.66.

As a result of this life insurance the doctor's wife has received \$3,000 in cash, and is to receive 144 monthly income checks of \$52.88 each, thus providing regular monthly income until the end of 1953.

This guaranteed monthly income will be supplemented by the return on her investment in the building, the title to which was purchased by liquidation of the mortgage through life insurance.

+ + +

### THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY  
Chairman of the Board

JOHN A. STEVENSON  
President

INDEPENDENCE SQUARE, PHILADELPHIA

## Drop Objectionable Feature of Bank Life Insurance Bill

**N. Y. Proposal Would Have Permitted \$3,000 of Additional Term Coverage**

NEW YORK—The provision which would have allowed banks in the New York savings bank life insurance system to issue up to \$3,000 of term insurance on the lives of mortgage borrowers in addition to the present limit of \$3,000 per life has been eliminated from the bill now pending in the legislature which would change the law governing savings bank insurance in several respects. In its amended form the bill's main features are that it would permit issuance of double indemnity up to the \$3,000 per life limit and would allow the banks to issue up to \$3,000 per life in a single contract rather than restricting policies to \$1,000 each and necessitating additional policies where larger amounts than \$1,000 are applied for.

Life insurance men found the proposal to permit \$3,000 of additional term insurance very objectionable. According to Oliver Roosevelt, vice-president of Dry Dock Savings Institution, New York City, and a member of the three-man legislative committee of the savings bank life insurance trustees, the consensus of the trustees was that while the proposal was in many ways desirable it was not of sufficient importance to justify antagonizing life insurance men who felt very strongly that it would bring the banks into a field far beyond that contemplated in the original set-up of savings bank insurance.

### Not Seeking New Clientele

Mr. Roosevelt feels that savings bank life insurance has enough of a field in serving its depositors and potential depositors and is not warranted in trying to develop a new type of clientele by increasing its limits over the present level. In the great majority of cases the \$3,000 per life limit has been found adequate.

By confining its effort to those whom it can serve economically, the system can, Mr. Roosevelt believes, reach a point where life insurance men will concede that it is not getting a free ride from the insurance business and that sales due to banks' uncovering needs above the \$3,000 limit will more than offset whatever business is lost by agents who work up a case only to have the prospect decide he can get the insurance more cheaply through a bank.

### Misunderstanding Cleared Up

A minor point in the bill, designed to clear up a point in the law, caused something of a flurry among life insurance men when it was thought that the proposed amendment would permit banks to write group insurance country-wide instead of merely in New York state. The present law permits banks to insure persons whose place of residence or principal place of business is in New York state.

In order to make it possible to include members of families of insured who work in New York state but live in another state—a situation applying particularly to New Jersey residents working in New York City—the bill would change the word "insured" to "applicant." Thus, for example, a father working in New York state could apply for a policy on his wife or

(CONTINUED ON PAGE 22)

## Need to Advertise More in War

Life Advertisers Association Studies Problems at N. Y. Meeting

NEW YORK—The most frequently reiterated idea at the Eastern Round Table of the Life Advertisers Association in its two-day session here last week was the necessity of increased and more effective advertising during the war period.

Attendance was the largest of any round table meeting in the history of the association. George A. Adsit, vice-president, Girard Life, was chairman and presented a stimulating, well planned program.

A. Scott Anderson, Equitable of Iowa, president of the L.A.A., an-



Frank Price, Prudential, publicity chairman at meeting of Eastern Round Table of Life Advertisers Association, discusses the day's program with George A. Adsit, Girard Life.

nounced that the North Central Round Table would meet at Excelsior Springs, Mo., April 23-24 and the Southern Round Table at Chattanooga, May 14-15. According to present plans, the annual convention will be held in Chicago at the Edgewater Beach Hotel, Sept. 14-16.

Insurance is playing a vital role in this war, but that doesn't free it from the threat of increasing government control, according to Leslie Gould, financial editor of the New York Journal American. With assets of \$32,500,000,000 and an annual premium income of \$4,000,000,000, the social planners are not going to give up until they get control of the huge assets and premium income of life insurance companies, unless the public says no.

### Don't Wait to Take Initiative

Insurance companies must not make the mistake of banks and stock exchanges and wait for the other fellow to take the initiative, he declared. They must get on the offensive and tell their own story. With 66,000,000 policyholders on the side of the life insurance business, no Congressman or bureaucrat is going to experiment with it.

One of the troubles of the life insurance business is that it hasn't been telling the full story of the job it performs in peace and war, he said. The thought seems to have been that if it did a good job, that was sufficient. That is no longer true, if it ever was. Life insurance has made a substantial start, and the character of advertising is changing for the better. Reports to policyholders are being humanized and simplified.

### Must Counteract Socialization

But a great deal more must be done. This effort must be increased during the war period. This country as well as the rest of the world is in the midst of socialization—more and more control of individual lives, living and business.

(CONTINUED ON PAGE 23)

## Warning Given on Spurious Schemes

Northwestern National Life Says Wartime Breeds Questionable Appeals

The family economics bureau of the Northwestern National Life calls attention to the fact that people are likely to be imposed on by salesmen offering various schemes such as stock in dubious concerns, manufacturers of synthetic rubber, etc. There are a number of wartime rackets already coming into being. Among major schemes swinging into activity, the Northwestern National says, are phony war charities and refugee benefits. Bootleggers offer retrained tires which may be old, defective and absolutely worthless. Also fakers "inspect" and refill fire extinguishers with colored water. Fake doctors offer selective service registrants physical examinations, agencies promise for a fee paid in advance to obtain birth certificates for persons born in other states or countries. Fake oil stocks are being offered due to a shortage of oil and gasoline.

### Smooth Talking Life Agents

Some smooth talking life agents falsely claim that their insurance policies cover all military service. Others offer for a fee to readjust one's insurance to changed war time conditions and switch a policyholder from contracts he now owns for cheaper, less desirable ones.

As regards a salesman telling the owner of a life insurance policy that it covers all risks of military service, the owner should insist on examining it.

The Northwestern National says: "Nearly all standard life policies now being sold contain a special clause limiting coverage on military risks, or calling for a substantial additional premium to cover such increased risks, which old rates were not sufficient to cover. If there is no such clause in the policy, make sure you are not getting short-changed somewhere else in the contract.

### No Exception on War Risks

"Your older, standard policies, taken out a year or more ago, cover military risks. In 1919, the life companies generally believed that the last great war had been fought, and eliminated the war risk limitation clauses then in their policies. So policies written by the standard companies between 1919 and 1940 practically all made no exception as to war risks. Therefore, those still in force include such war risks in their coverage, and are now a great bargain because they cover the increased hazards of war service, though written at peace-time premium rates. Hold on to your old policies. Don't let smooth talkers twist you out of them and into something that looks cheaper but probably isn't."

## Sharp Is Named in Virginia, Succeeding Atlantic Agency

Atlantic Life has terminated contract with Atlantic Agency, representing it in Virginia for many years, as general agent and has named Horace F. Sharp, president of that agency, as home office manager of the company for Virginia. George T. King, Jr., vice-president of the Atlantic agency for many years, has been appointed general agent at Richmond. Atlantic agents throughout Virginia will continue connection with the company through the home office manager.

### Elrod Speaks in Chicago

The Chicago C. L. U. chapter will meet April 7, with Milton Elrod, legal editor R. & R., as speaker. Roland D. Hinkle, president, will preside. George H. Gruendel, New England Mutual, is program chairman.

## Wild Illinois Radio Claims Are Studied by Department

Life and accident companies which make extravagant claims over the radio present a problem which is being studied by the Illinois department, Nellis P. Parkinson, assistant director, informed the Life Agency Managers of Chicago at a luncheon meeting this week.

He urged the managers and general agents to go to the department with any complaints of misrepresentation and promised a sincere effort to correct abuses.

Mr. Parkinson's comment came in a forum at which he and two other department officials, Arthur G. Smith, deputy in charge of the Chicago branch office, and H. Walter Hanson, Jr., supervisor of the license division, were asked questions on a number of current problems. A general agent stated that a company advertising over the radio has a rubber stamp for noting that a claim is disallowed.

### Mainly Assessment Concerns

Most of the offenders, Mr. Parkinson explained, are assessment life or health and accident concerns and burial associations.

The department, he said, resents misuse of the department's "approval" over radio programs or otherwise. He explained this approval may signify no more than that investments meet minimum requirements, or that policy forms were submitted and permitted to be used. Much of the evil of radio insurance advertising, he said, is what is implied rather than what is said.

Mr. Parkinson explained the department has no control over radio programs and has no facilities for handling such work. Some of the programs heard are sponsored by companies not operating or licensed in the state. He suggested the Better Business Bureau might be the best medium for control, and it was explained to him life men had appealed to that bureau to stop programs claimed to contain gross misrepresentation.

### Supervisor Hanson Reports

Supervisor Hanson reported about 95,000 licenses were issued to agents, brokers and solicitors in Illinois last year, the number of individuals and firms being about 40,000. The department considers the written examinations are a serious means of selection and never has waived examination.

Last year more than 7,000 were notified to report for examination but only 53 percent appeared. The department revoked 504 licenses for cause last year and more than 3,200 for failure on examination. Deputy Smith spoke briefly, noting the Chicago branch carries duplicate annual statements of companies, has brokers and agents record cards and reports on examinations of companies.

J. H. Brennan, president of the managers, presided. E. W. Hughes announced plans for the sales congress April 18. Joseph M. Gantz, Cincinnati general agent of Pacific Mutual Life, will take the place on the program of C. C. Day, Oklahoma City general agent of that company, who died this week. Earl M. Schwemm, Great-West, program chairman, announced.

### Guardian Starts "All-Out" Effort

The important contribution of the life insurance agent to successful prosecution of the nation's war program has been made the theme of an all-out production campaign in April by the field force of Guardian Life. The campaign slogan is: "All-Out in April—on the ATTACK!"

At the suggestion of Jack Leventhal, Leaders Club president, the officers of the club decided unanimously to dedicate the April effort to Frank Weidenborner, agency vice-president.

## Warns Managers Against Castoffs

Hartshorn Says It Is Poor Salesmen That Industry Is Letting Out

MEMPHIS—Advice to managers to be uncommonly selective in appointing new agents under today's conditions was given by W. W. Hartshorn, who was the featured speaker at the luncheon

given by the Memphis General Agents & Managers Club for the visiting general agents in town for the N. A. L. U. mid-year gathering. Mr. Hartshorn is manager in Hartford of Metropolitan Life, trustee of the N. A. L. U., and chairman of its general agents and managers committee.

Mr. Hartshorn said that in those businesses that are being demoralized as a result of the war, management is striving to retain the good salesmen by finding some other berth for them within the organization for the duration. The poor salesmen are being let out and management is trying to help those casualties find a haven, frequently taking active measures to get them entered in the life insurance field. Hence, Mr. Hartshorn warned, that managers should be on guard lest they become burdened with cast offs, thinking that they are good men uprooted by external circumstances.

### Manager Should Be An Example

Mr. Hartshorn recommended that the manager apply himself to his job as never before, not only to get business but as an example to the agents. A manager who has communed with himself and decided that he can be more useful to his government by staying at his present job than by doing something else, must then justify that belief by operating on a seven day a week basis, so to speak. Agents, too, are troubled by the question of whether they could not be more effective in some other work. They will be influenced, not only by the decision of their boss, but by the example of industry that the boss provides.

The speaker exhorted those in the business to remove from their minds the idea of a distinction between industrial and ordinary salesmen. Both can learn from each other, and there should be no barrier of any kind between them.

J. Frank Hall, Mutual Life, president of the Memphis group, presided at the luncheon, and Robert Seay, Metropolitan manager in Memphis, introduced Mr. Hartshorn.

## Bankers National Installs Air Raid Protection

Bankers National Life has fortified its home office building in Montclair, N. J., against air raids by boarding up doors and windows with heavy timbers. The building, according to air raid precaution engineers, thus will provide a safe area, except from a direct hit.

President Ralph R. Lounsbury issued a statement inviting the public, if caught out near the building when an alarm sounds during office hours, to step inside for protection. "We shall be open for business long after Hitler and Hirohito have ceased to endanger our individual lives," he said, "and, in view of the current added danger, maybe you ought to get some additional life insurance."



## Practice Blackout in New York City's Insurance Sector

**Test Works Smoothly;  
Area Is Near Brook-  
lyn Navy Yard**

By R. B. MITCHELL

NEW YORK—The downtown insurance district played a 100 percent successful part in last week's test blackout of the section of Manhattan Island below 14th street. Most persons in the insurance business are familiar with the appearance of the district after dark but observers on the job during the blackout said that the district presented a weirdly different picture from its usual nocturnal state. Ordinarily street lights and lighted windows here and there keep the section from looking entirely deserted but with all lights out it looked like a dead city.

The effect was heightened rather than diminished by the bright moonlight. Because of the tall buildings and the narrow streets it was like walking from noonday sun into pitch blackness to go from a moonlit street to a shadowed one. Far from being a dead city, however, the insurance section was teeming with activity to a far greater extent than on a normal night. Air-raid wardens and building control directors and their staffs were very much on the job.

### Drill Was Invaluable

While undoubtedly part of the complete success of the blackout was due to the advance warning it was invaluable as a drill and in particular in showing up what needs to be taken care of before a real blackout, where the job would have to be done in a hurry. For example, some buildings are so constructed that there are windows behind the elevator shafts. If, as is usually the case, the elevator doors are also of glass, it is possible for the glow of the corridor lights to be seen from the outside. In an emergency blackout it would be necessary to go through the building in a hurry and turn out all these lights. This was no problem during the practice blackout, as all occupants of the buildings had had advance warning and nearly all of them were out of their offices.

However, if a blackout should take place early on a winter evening corridor lights would be on and in a large building it would take a long time to turn them out. It may turn out to be possible to enlist the services of tenants for this work and in taking care of their own lights. If tenants do not cooperate in turning out their own lights it will probably be necessary to resort to pulling the master switches of buildings. It would be very desirable to avoid this, as it would be a hardship for tenants who were cooperating and perhaps whiling away their time with a game of pinochle in an inside room. Pulling the master switches would not affect elevator operations or stairway lights.

### No Special Problems

In some respects the insurance district presents fewer problems than some other parts of the city. Buildings are not normally occupied by tenants during the evenings. However, this might be something of a problem during the first two months of the year when accounting departments are working overtime on annual statement figures.

The insurance district presents no special problems, though its location fairly close to the Brooklyn Navy Yard

makes complete blackout preparations highly essential. There were no casualties in the district during the blackout, which lasted for about 20 minutes.

Zone 5, which includes most of the insurance district is, like other zones, divided into sectors, each of which is under the direction of a sector warden. Each sector has a detailed plan, which is blueprinted for the guidance of the post wardens and others. For example, the blueprint of the sector which includes the well known 80 Maiden Lane building, shows the names of all the wardens and their alternates, location of street lights, fire hydrants, manhole covers, "siamese" hose connections, fire

alarm boxes, available telephones in each building, street numbers of all buildings and the location of a hand truck which contains emergency equipment of all kinds. Alfred Hornickel, manager of the 80 Maiden Lane building, and sector warden, received a letter from Clark G. Dailey, senior zone warden, commending the sector's blueprint and stating that it should be the model for all sector wardens. The zone warden is E. J. Smith, manager of the 60 Wall Tower buildings.

Albert Hirst's booklet "When a Man Dies" should be in the hands of every one of your large clients. Four copies \$1. Order from National Underwriter.

## Labor May Form Agencies to Sell Bank Insurance

Threat that the American Federation of Labor might establish agencies for sale of savings bank life insurance in Massachusetts has been made by K. I. Taylor, counsel for the A. F. of L. in the state. Such a step may be taken, he said, if the casualty insurance interests continue to oppose the creation of a monopolistic workmen's compensation state fund.

Subscribe to **Accident & Health Review**, \$2. 175 W. Jackson Blvd., Chicago.

"RALPH, YOU SEEM TO BE THE BUSIEST  
MAN IN TOWN THESE DAYS..."

"MAYBE I AM, TOM. THESE ARE  
IMPORTANT TIMES FOR LIFE  
INSURANCE MEN..."



"You see, Tom, lots of people are making extra money now. That means that we have a better market for life insurance. But it means something else, too. It means that these families will be better off for years to come if they invest their money in life insurance. So we're helping other people as well as ourselves!"

*John Hancock*  
LIFE INSURANCE COMPANY  
OF BOSTON, MASSACHUSETTS  
GUY W. COX, President

## Bruce Parsons to Army Duty

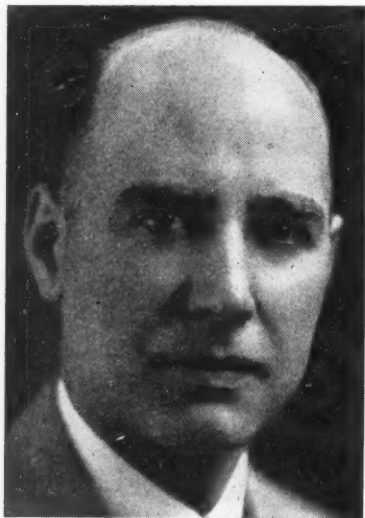
Bruce Parsons, general agent, in Chicago for Mutual Benefit Life, received orders to report for army duty Thursday, and is currently assigned to staff duty with 6th Corps Area with headquarters in the Post Office building, Chicago.

Parsons served as captain of field artillery in the first war. He left college when a junior at Iowa State, where he was a cadet-major, to enter an officer's training camp, and came out a captain at the age of 22.

Following the war, during which he served in France for six months, he returned to Iowa State to receive his degree in mechanical engineering, and continued his commission in the Officer's Reserve Corps. He frequently attended



Jas. F. Ramsey



BRUCE PARSONS

summer camps for two weeks training period, as a result of which he was promoted to the rank of major, which he now holds. He commanded the 404th Field Artillery for a few years, prior to being appointed general agent in 1937, at which time he asked to be released from this duty inasmuch as he could not devote sufficient time to this command.

Major Parsons joined Mutual Benefit Life in 1923 as a salesman with the A. A. Drew agency. A stranger in Chicago he used the cold canvass method of approach in selling, paying for a quarter of a million of insurance his first year, and reached the million mark in 1932. He had several million dollar years and in 1935 he led the Mutual Benefit's field forces in the United States, and was appointed to his present post in 1937. The Parsons agency has enjoyed a steady and healthy growth since its inception, despite the loss of its two leading agents in 1939 and 1940, who were given general agencies with Mutual Benefit in Peoria, Ill., and Brooklyn, and seven men to army, navy and defense industries. The agency paid for a little more than \$3,500,000 in its first year of operation and rose to better than \$8,000,000 paid for in 1941.

Major Parsons leaves his agency in very capable hands, the most recent addition to the staff being James F. Ramsey, former Chicago general agent for Home Life, who becomes manager of the main office at One North LaSalle street. Mr. Ramsey has had a broad experience as a salesman in Iowa; as a member of the agency staff of Home Life in New York, and a very successful career as general agent for Home

## Managers Session at Chicago Rally Draws Interest

Much interest is being taken in the special session of the Life Agency Managers section to be held in Chicago the afternoon of April 17 during the combined state meeting of the Illinois Association of Life Underwriters and sales congress sponsored by the Chicago Association of Life Underwriters.

A splendid program is offered, including H. A. H. Baker, vice-president and superintendent of agencies Great-West Life, on "Experiences of Canada in War Time"; Kenneth R. Conrey, Pittsburgh general agent Penn Mutual, "Present Day Recruiting," and Judd C. Benson, Cincinnati general agent Union Central, who is president of the Ohio Association of Life Underwriters.

Joseph M. Gantz, Cincinnati general agent of Pacific Mutual Life, will speak at the sales congress April 18 in place of C. C. Day, Oklahoma City general agent of that company, who died.

### Editor Arch Ward Talks

J. H. Brennan, Fidelity Mutual, president Life Agency Managers, will preside in the afternoon and also at the annual dinner, at which Arch Ward, sports editor Chicago Tribune, promoter of the Golden Gloves and Silver Skates tournaments and All-Star football game, will give the principal talk.

A fellowship hour at which the managers group will be host will follow the afternoon session. Illinois department officials have been invited to attend.

Mr. Brennan is chairman of the Illinois state committee in charge of arrangements, and E. W. Hughes, Massachusetts Mutual, and George Huth, Provident Mutual, are co-chairmen of the Chicago committee.

Tickets for the two days' activities have been priced at \$4, and for the sales congress alone at \$1.

### Managers Group Grows

The Life Agency Managers this year has had great growth, membership being doubled and the group being far more active than in the past. President Brennan, who is in line for election as president of the Chicago association at the next annual meeting, hopes to make the managers group the outstanding one in the country.

The famous Quiz Kids will perform at the sales congress. They are Girard Darrow, Joan Bishop, Harry Fischman, Claude Bremmer and Richard Williams.

### Tavern Keeper Specialist Sentence

RACINE, WIS.—Pleading guilty to a charge of acting as an agent for National Life Association, an unlicensed insurance company, and taking applications and accepting premiums, Roger I. Wilson, 51, South Milwaukee, Wis., was sentenced to one year in the state prison and then placed on probation by Municipal Judge Goodland here. Wilson also was ordered to pay the cost of the trial and to reimburse all persons in Racine county who had purchased policies. Mr. Wilson admitted selling some 20 policies to tavernkeepers in the county.

Life in Chicago since 1936. He will be in full charge of recruiting and training new men and of supervising the sales activities of the organization.

The branch of the agency, at 208 South LaSalle street, will continue under the direction of Edward C. and Ervin D. Hintzpetter as in the past. The branch does approximately one-third of the total agency business, with 11 full time agents.

Currently, Major Parsons will live in residence in Highland Park, where he and Mrs. Parsons and their four sons reside at 914 Ridgewood drive.



## WORRIED?

In times like these we face many uncertainties. No one can help wondering how far inflation will progress, how high taxes will mount, how low the interest rate will go, how long it will take for Victory.

How will this situation affect you as life underwriters? How will you meet this era of insecurity and change? Well, just remember that your clients and prospects are as much worried as you are. You and they will answer this challenge as men have met similar problems before—with the faith and courage that endures until the crisis is past.

Given life and health, the average man will manage to get along and will continue to provide for his family. The problem is not what his family will do if he lives—but what they will do if he doesn't. These are times when a man needs the security of adequate life insurance far more than he ever needed it before.

Life underwriters can do their greatest service to their fellowmen and to our country right now by offering family protection to those who need it. Now is the time to cover the man unprotected and to increase the holdings of the man inadequately covered.

This is not the time to worry but to work!

STABILITY—SAFETY—SECURITY



**PROVIDENT MUTUAL**  
LIFE INSURANCE COMPANY OF PHILADELPHIA  
Pennsylvania • Founded 1865



## L.O.M.A. Meeting Program Given

**Spring Conference to Be Held April 27-30 in Greensboro, N. C.**

The Life Office Management Association announced the program for its spring conference April 27-28 in King Cotton hotel, Greensboro, N. C. The theme is "Pertinent Problems of Life Office Management Under War Conditions—Ordinary and Industrial."

W. Dudley Owens, vice-president and secretary of Lamar Life, is chairman of the ordinary program and G. C. Clark, assistant actuary Equitable Life, Washington, chairman of the industrial program.

The program for the general session April 27 is:

### April 27—General Session

Opening remarks by President R. W. Beeson, secretary Liberty National Life. Welcome by Julian Price, president Jefferson Standard.

"Compliance with Treasury Department Rulings Concerning Blocked Funds." Discussion.

"Economic Trends in the Southeast as Related to Life Insurance," Dr. A. S. Keister, professor of economics Woman's College, University of North Carolina. Luncheon.

### Afternoon—Ordinary Session

"Utilizing Part-Time Employees As a Means of Coping with the Current Clerical Labor Situation," G. E. Mecherle, secretary State Farm Life, and W. P. Barber, Jr., secretary Connecticut Mutual.

"How We Developed Our Salary Standardization Program," J. G. Bruce, actuary Colonial Life.

"Availability of Office Equipment and Supplies Affected by Priorities," J. E. Mumper, assistant secretary L. O. M. A. General discussion. Adjournment.

### Afternoon

Industrial session.

"Procedures Involved in the Use of Forms Included in Portfolio No. 1 of Industrial Insurance Forms," J. Cowin Smith, assistant secretary Life of Virginia.

"Methods of Tracing to Determine Present Status of Policy When Policy Number Is Not Submitted," and "Maintenance of Contact with Policyholders Having Paid-up or Extended Insurance," J. Everett Rowe, assistant to second vice-president Metropolitan Life.

Informal discussion of effects of the war on industrial insurance management and possible solutions:

"The Problem of Transportation for the Man on the Debit," H. Clay Evans Johnson, executive vice-president Interstate Life & Accident.

"Type and Completeness of Industrial Proofs of Death Arising From Military Services Abroad," R. W. Beeson, secretary Liberty National Life.

"Possibilities for Reduction in Industrial Operating Expenses," W. B. Clement, superintendent of industrial division Pilot Life.

"Measures Taken by Companies to Preserve Their Industrial Records from Possible War Destruction," R. W. Cobb, assistant supervisor of industrial policy department, Prudential.

Adjournment.

Evening—Reception and informal banquet and dance at Jefferson Country Club.

### April 28—General Session

"Present Status of the Application of the Federal Fair Labor Standards Act to Life Insurance Personnel," J. B. Slimmon, vice-president and secretary Aetna Life.

Symposium on "Recent Economies Realized in Home and Branch Office Operations," chairman C. Elmer Leak, vice-president Jefferson Standard. Luncheon, Jefferson City Club.

### Afternoon—Ordinary Session

"Budgetary Control of Home Office Operations," F. P. Samford, president Liberty National Life.

"Extending the Usefulness of Branch Office Audits," L. J. Hale, assistant controller Kansas City Life.

"Rip Van Winkle Awakes in 1947," H.

E. Niles, superintendent of agencies Baltimore Life. Adjournment.

### Industrial Session

"Branch Office Industrial Accounting and Administration: Records, Control of Funds, Auditing, Control of Stationery and Supplies," Leonard Mosele, secretary American National.

"The Use of Punched Card Equipment in the Preparation of Agents' Accounts," Lester Knopp, manager tabulating department National Life & Accident.

Informal discussions:

"Keeping Policy Records by Means of Punched Cards Without the Use of Life Registers," J. J. Hess, secretary Knights Life.

"Allocation of Branch Office Expenses Between Ordinary and Industrial," F. R. Leu, actuary Life & Casualty.

"Methods of Copying or Reproducing Applications for Insertions in Policies," E. F. Cooley, assistant supervisor methods department Prudential.

"Methods of Crediting and Accounting for Industrial Medical Fees," O. D. Newton, assistant general manager and secretary London Life. Adjournment.

V. Webner Wiedemann, San Francisco general agent Equitable Life of Iowa, suffered a severe tragedy when his 9-year old son, Donald, was suffocated when a cave he and his playmates were building, collapsed.

## Trace Career of Wertimer in N. A. L. U. Trustee Race

Sidney Wertimer, for whom a formal campaign has been organized for trustee of the National Association of Life Underwriters, has had a distinguished career in the business. He attended the school of finance of the University of Pennsylvania and while still in college, was licensed as a special agent in 1910 for Prudential under his father. In 1915 he became a partner with his father in the firm of Henry Wertimer & Son, managers for western New York. Upon the death of his father in 1931, Sidney Wertimer succeeded to the firm as manager for western New York with headquarters in Buffalo.

He served as president of the Buffalo Life Underwriters, Inc., in 1924 and 1925, and he caused the association to be incorporated, to employ a regular salaried executive and to maintain established offices. In 1928 he served as president of the Buffalo Life Managers Association and in 1932 was president of the New York State Association of Life Underwriters. While he was president he introduced the system of dues and set up a plan to pay the traveling expenses of delegates. He was active in the fight against savings bank life insurance during 1940 and 1941 and

served as a member of the advisory board on written examinations that was appointed by the New York insurance superintendent.

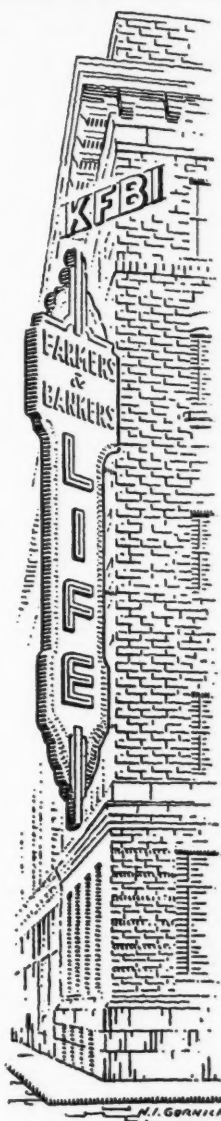
In the N.A.L.U., he is at present chairman of the committee on cooperation with the U. S. Chamber of Commerce and in the past few years he has held the position of chairman of publications committee, chairman of by-laws committee, member of the committee on agent's compensation and a member of the executive committee of the general agents and managers section.

## Michigan Regulation Modified

Commissioner Berry of Michigan has modified the regulation issued Jan. 30 requiring agents to designate their primary life company as a prerequisite to renewing licenses, to except agents primarily engaged in general lines and agents in towns under 15,000.

## E. A. Smith, Jr., Resigns Post

E. A. Smith, Jr., former insurance commissioner of Utah and later at Pacific Mutual Life's home office and for the past year general agent at Glendale, Cal., has resigned. Mr. Smith has not announced his future plans other than that he will spend several weeks with his family in Salt Lake City.



The **STRENGTH** of any life insurance company is measured, not by size, but by its capacity to pay its liabilities . . .

### THIRTY-FIRST ANNUAL STATEMENT Showing Condition on December 31, 1941

#### ADMITTED ASSETS

	Percentage	
Cash in Banks.....	( 2.58)	\$ 355,620.67
*U. S. Government Bonds.....	(32.00)	4,414,176.00
*Canadian and Cuban Bonds.....	(.80)	110,760.00
*State, County and Municipal Bonds.....	(16.03)	2,211,475.31
Home Office Building.....	(1.09)	150,000.00
Real Estate Owned.....	( 3.13)	431,725.00
Real Estate Sales Contracts.....	( 2.47)	340,638.15
First Mortgage Loans on Real Estate.....	(22.81)	3,146,480.81
Loans Secured by Legal Reserve on Policies.....	(16.32)	2,250,360.93
Accrued Interest.....	(.61)	84,025.52
Net Premiums in Process of Collection.....	( 2.16)	297,382.77
Furniture and Fixtures.....		Charged Off
Radio Station KFBI.....		Charged Off
*All Bonds at Market or Commissioners' Valuation		
Total Admitted Assets.....		\$13,792,645.16

#### LIABILITIES

Legal Reserve on Policies.....	\$11,048,027.58
Reserve to Provide for Fluctuation of Mortality and of Market Value of Assets	337,345.12
Credits to Policyowners left with Company on Deposit at Interest.....	607,599.14
Reserve for Taxes.....	75,000.00
Death Claims Due and Unpaid.....	None
Death Claims Reported but Proof Not Completed December 31, 1941.....	14,900.15
Premiums and Interest Paid in Advance.....	110,857.06
Special Funds Payable to Policyowners in 1942.....	60,003.71
All Other Liabilities.....	38,912.40
Capital and Surplus.....	1,500,000.00
(For Additional Protection of Policyowners)	
Thanks for your interest in reading this statement.	
Further inquiry or comment is solicited.	
Total Liabilities.....	\$13,792,645.16

**INSURANCE IN FORCE.....\$60,984,747.08**  
An increase of \$2,515,690 in 1941.

**ADMITTED ASSETS.....\$13,792,645.16**  
An increase of \$612,146.33 in 1941.

“Policies that Protect”

**The FARMERS & BANKERS Life Insurance Company**  
HOME OF RADIO STATION KFBI  
**WICHITA**

H. K. LINDSLEY F. B. JACOBSHAGEN J. H. STEWART, JR.  
President Vice-Pres. and Sec'y Vice-Pres. and Treas.

## Conservation Plan Is Recommended

### Commissioner of West Virginia Seeks to Protect One-Man Agencies

Insurance Commissioner Sims of West Virginia has issued a pronouncement calling attention to the many individuals in the insurance business operating more or less as one-man concerns who have been called or will be called to the colors. Naturally without the presence of the owner the business would dwindle away unless coordinated measures were adopted that would aid in preserving it so that ultimately he might step back into his business where he left off. Therefore, Commissioner Sims urges that in cases of this kind companies, agency organizations, agencies and individuals cooperate with the department in working out feasible plans that will result in keeping intact the business of an agent. Commissioner Sims makes the following specific recommendations:

#### Gives Three Proposals

- The contract between such agent and his company or companies should be continued in force.
- The resident agent's licenses held by such person should be kept in force.
- The policy expirations and other insurance business of such an agent should be placed in the hands of some responsible and reliable person, who shall keep all such business renewed and do all things necessary to preserve in the agent's name and for his benefit the expirations and other insurance business, at a nominal cost.

He states that anyone can perform a distinct patriotic service by reporting to the insurance department the acts of any agent who is found wilfully and intentionally raiding the expirations of another office while the owner is temporarily serving his country.

## Insurance Suggestions Made for Men Entering Service

KALAMAZOO, MICH. — Gerald McKessy, attorney, cooperating with the legal aid committee of the Kalamazoo Bar Association, has prepared recommendations regarding insurance for draft registrants and volunteers, urging them to familiarize themselves thoroughly with their personal situations before entering service.

The three major steps advised are: (1) Reduce all policy liens and loans to less than 50 percent of the cash surrender or loan value on each policy. (2) Pay all premiums at least eight weeks in advance. (3) Get from an insurance representative full information regarding all policies carried, including the number and date of policy, its face amount, total premium and date when due, the date to which the premium is paid, the amount and nature of lien, if any, and the name and relationship of beneficiaries.

#### Recommend Budgeting Premium

It was suggested that each man compute the total yearly premium on all regular insurance and thus ascertain the amount that must be set aside each month to keep such coverage in force. Arrangements should be made, he said, for a friend or relative to make premium payments when due, if possible without financial hardship, or to attempt to arrange for loans from the companies represented to keep the insurance in force over the period of service. Advice should also be obtained, it was recommended, as to whether the man in the service should supplement his regular insurance with government term insurance.

## English Business Up 18.5% in 1941 Shown by Figures

Reports of 45 offices, 37 of them ordinary and eight industrial-ordinary, show that business in England increased 18.54 percent in 1941 over 1940, according to "The Review" of London. Total production in 1941 was £122,978,256, in 1940 £103,740,028 and in 1938 £202,559,656. The offices writing industrial-ordinary showed an increase of 34.95 percent, 1941 over 1940, and the strictly ordinary offices 9.05 percent.

#### Uncertainty Is Motivator

The Review points out it might be supposed that with increased taxation and the uncertainties of the international situation, people would hesitate to buy new contracts carrying commitments to pay considerable sums for years. Yet it was precisely these influences, creating anxieties about matters which no amount of life insurance protection could improve that resulted in 1941 making a far better showing than its predecessor.

The increasing income tax, while reducing the money available for premiums, decidedly influenced a large percentage of new insurance, according to The Review. Where estimates made at the beginning of the year were most likely to have gone astray was in not making sufficient allowance for the immense increase in income of some sections of the community, directly resulting from armaments, expenditures and for increased prosperity in some lines of industry arising from the disturbance of trade brought about by the war.

#### Agriculture Is Good Source

Thus one office closely in touch with agriculture had the largest business in its history in 1941. The larger showing

by industrial-ordinary offices reflects the increased income of classes benefiting from war industry.

The Review suggests that other offices might have succeeded in writing more business if they had tried to concentrate their efforts more on those sections of the community which had the money to spend. However, it makes the point that this sounds easier than it is. Life offices and agents in course of time develop set habits which are hard to break.

#### Less Business May Be Blessing

The comparatively small volume of new business under present conditions may be a blessing in disguise because of decreased interest yields and possible increase in mortality. Lightening the new business strain may easily ameliorate this situation, tiding the company over the war period. Many policies now being issued in England grant a substantial amount of protection against war risks for which no charge is being made. Though in the past two years losses in this respect have been light, it by no means follows that they will remain so, the Review stated.

#### Start Mass. Mutual Conferences

The important contribution that life insurance is making to the successful prosecution of the war program will be the central theme of the business conferences for Massachusetts Mutual Life agents which started in Syracuse, N. Y., March 31. An analysis of today's market will be discussed in the light of the current responsibilities of agents and companies. The exchange of ideas afforded by the meetings will assist the company in keeping up to the minute on the objectives and problems of the field.

The schedule of meetings has been arranged to avoid extensive traveling, in consideration of the abnormal demands on passenger travel facilities due to the war.

## Pneumonia Losses Are Reduced Due to "Sulfa" Drugs

More than 20,000,000 man-hours of work are being saved annually by the use of the new "sulfa" drugs in the treatment of pneumonia among workers, it is revealed by a study released by the medical department of Equitable Society of the economic significance of pneumonia as determined by the incidence and duration of the illness in large industrial groups throughout the United States.

#### Duration Much Shorter

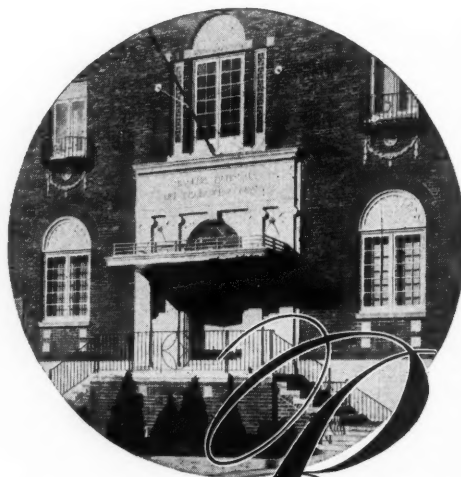
The Equitable study compared the pneumonia records for the years 1935-37, the three years prior to the use of sulfonamide drugs on pneumonia, with those for 1939-41, in which the drugs were extensively used. It was found that, while the prevalence of the disease was not decreased, the duration of illness had been materially shortened.

The average time lost from work in 1935 was 45 days. In 1941, the average time lost was 33 days, a net gain of 12 working days per case of pneumonia.

Of the approximately 50,000,000 persons gainfully employed in the United States today, pneumonia cases average nearly 200,000 annually. Thus, the average number of days saved yearly is estimated at nearly 2,500,000 or 20,000,000 man-hours of working days on the basis of an eight-hour day.

#### Tex. Bars Newspaper Deals

Attorney-general Mann of Texas has ruled that insurance contracts along with newspaper subscriptions are void, as a Texas law prohibits any corporation from being an insurance agent. The opinion held that the contracts attempted to make the newspapers agents of the insurance companies.



There is a Bankers National policy to fit every need which, coupled with a friendly, efficient agency department, assures success. If you can measure up to the high standards of this company, we will be glad to discuss the possibilities of an agency connection for your territory.

# Bankers

Ralph R. Lounsbury, President  
W. J. Sieger, V. P. & Supt. of Agencies

## NATIONAL LIFE

Insurance Company . . . . . Montclair, N. J.



## N. A. L. U. Mid-Year Rally in Memphis

(CONTINUED FROM PAGE 1)

and committee went into session late Friday afternoon while recess was taken in the national council meeting in an endeavor to arrive at a final agreement. However, that turned out to be impossible. Walter Barton, Union Central, New York, treasurer of the association and vice-chairman of the special committee, made the announcement to the national council. He spoke very highly of the three headquarters men. He stated that the trustees had recommended the continued employment of Lawrence Baker of the law firm of Baker, Selby & Ravenal of Washington, D. C., in connection with tax and legislative matters in Washington. He said that the committee had given consideration to the idea of employing an additional headquarters man to engage in special outside work. There is need, he said, of closer contact with local associations and also there is needed someone to handle the liaison work with Washington. However, he stated that the trustees and the committee found it impossible to arrive at a definite decision at that particular time. He said that there are 18 applicants for the positions and all of them have received endorsements of one kind and another from local organizations.

The first feature of the three day convention was the meeting on Thursday for managers and general agents with the program provided by the Sales Research Bureau. There was an attendance of better than 150 and excellent material was offered by Manager John Marshall Holcombe, Jr., Assistant Manager B. N. Woodson and L. W. S. Chapman. On Friday the main event was the all day session of the national council with President Witherspoon and Harry T. Wright, Equitable Society, Chicago, former president, alternating as presiding officer. There were two breakfast sessions that day, one for the state presidents and the other a C. L. U. gathering. The state presidents agreed to recommend that there be created a new office in the state organization, that of committeeman, comparable to the same office in a local association. This office would presumably be held for a period of several years by the same man and thus there would be provided continuity of leadership. That evening there was held the cocktail party, dinner and floor show through the courtesy of the local hosts. On Saturday came the sales congress which drew a large attendance not only from Memphis but from other places in Tennessee and from points in Mississippi, Arkansas and Alabama.

### Message From McCormack

The first speaker was Commissioner McCormack of Tennessee who gave a fervent patriotic message and also made some pertinent life insurance observations. He recommended that the companies give consideration to the use of a sliding scale of interest rates in connection with policy loans. He said he recognized that there would be a good many problems to be solved in this connection but he said that the companies are faced with a practical problem due to the fact that banks and other lending agencies are making loans on a large scale and that the larger the loan the smaller the rate of interest.

A welcome was given by Walter Chandler, mayor of Memphis, who spoke very highly of the community service rendered by life insurance men in Memphis. He said that he could always count on an active response from the life insurance fraternity to a call to civic service.

### Maintenance of Morale

He said the life insurance salesmen have a great opportunity to maintain the morale of the public in these days. They should hold Americans to the belief that the fundamental principles of American life are not going to be jettisoned. Those who are guiding the

people into a safe and sane and comfortable and secure future are the ones to take the leadership in building up high morale, he declared. The strength, power and permanence of the nation is well represented by the work that the life insurance man does, he asserted.

Herbert A. Hedges, general agent in Kansas City for Equitable Life of Iowa, held the audience closely with a talk on "Sales Slants," and President Witherspoon captured his home state crowd and was given a thundering ovation following his address. Holgar J. Johnson, president of the Institute of Life Insurance, addressed the luncheon session and the afternoon speakers were Grant Taggart, California - Western States Life, Cowley, Wyo., national vice-president; I. S. Kibrick, agency assistant of New York Life in Brockton, Mass., and Paul Speicher of the Research & Review.

### POLITICAL BUZZ

There was considerable political activity in evidence with several campaigns for office already under way. In addition to those candidates, previously announced, it was made known at Memphis that Clifford Orr, general agent of National Life in Philadelphia, is in the race for national trustee and that Earle H. Schaeffer, Fidelity Mutual, Harrisburg, whose term as trustee will expire this year, will not be a candidate to succeed himself.

### Other Candidates Recalled

The other candidates actively in the field are Glen McTaggart, Prudential, Denver; Sidney Wertimer, Prudential, Buffalo, and B. J. Stumm, Northwestern Mutual Life, Aurora, Ill. Not previously announced was the fact that W. M. Houze, general agent in Chicago for John Hancock Mutual, is Mr. Stumm's campaign manager.

Two local associations—Los Angeles and New York—submitted invitations for the 1943 National association convention. Associations wishing to sponsor the convention the following year are required to submit their final bids at the mid-year meeting, hence if there is a 1943 convention it will be either in Los Angeles or New York.

Probably the biggest thrill of the meeting was the presentation that was given by C. J. Zimmerman, Connecticut Mutual Life, Chicago, as chairman of the committee on federal legislation. In masterful style that gripped his audience he analyzed the various current federal tax proposals affecting life insurance in one way or another. He revealed a remarkable command of intricate subject matter. His message was forceful, complete and simple. It was quite lengthy but the group followed closely every word and when Mr. Zimmerman finished the entire crowd rose to its feet spontaneously and gave Mr. Zimmerman a real ovation.

The presentation paralleled the report that Mr. Zimmerman gave at the managerial conference of the New York State Life Underwriters Association at Saratoga Springs which was covered in the March 27 NATIONAL UNDERWRITER.

### Career of Max Hoffman

Max Hoffman was born in Burbank, O. He entered the business field with the Stirling Boiler Company of Barberton, O., following which he was for several years cost accountant for the Babcock & Wilcox Company of Bayonne, N. J. Later he returned to Ohio as vice-president of the Kenmore Supply Company of Akron. He subsequently moved to Cleveland to take a position with the Cleveland-Cliffs Iron Company where for eight years he was assistant treasurer. He became identified with the life insurance business in 1927, when he was appointed managing director of the Cleveland Life Under-



## "Suki" Doesn't Worry

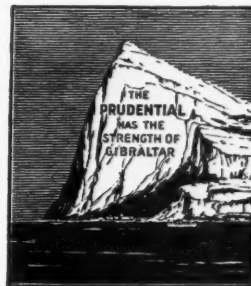
She's too young to think about the future.

But even if she were older, she would be just as undisturbed as she is now.

For "Suki" (that's daddy's pet name for little Susan) and her mother are so well protected by his life insurance that their lives, so far as material things are concerned, would not be affected by the loss of their bread-winner.

A persistent life insurance agent submitted a program of life insurance to "Suki's" daddy that he simply "could not afford to ignore."

He said so himself!



**The Prudential**  
Insurance Company of America

Home Office, NEWARK, N. J.

writers, Inc. When the executive staff of the N. A. L. U. was reorganized in 1929, he was called to New York to take the post of assistant managing director and editor of "Life Association News." For the past seven years he has been in complete charge of the organization and promotion of the N. A. L. U.'s annual conventions. In 1939 he was appointed executive secretary.

Wilfrid Jones was born in London and educated at the University of London and La Sorbonne. He was a member of the Royal Air Force during the former war and in 1918 received an appointment to the staff of the British delegation to the Versailles peace conference. Later he was attached to the British delegation to the Ambassadors' Conference in Paris, and subsequently joined the staff of the British embassy in Paris. He came to the United States in 1926 and was associated with the industrial research department of the National Industrial Conference Board. In 1929 he went to the N. A. L. U. as associate editor and advertising manager of "Life Association News." He became editor and manager and director of research in 1939.

Donald Barnes was born in Syracuse, N. Y. He was graduated from Bowdoin College in 1935. He became a feature writer for the Macy-Westchester newspapers, and joined the N. A. L. U. as editorial assistant in 1935. He was later appointed assistant editor, was named associate editor in 1942.

The presiding honors at the sales congress were shared by W. T. Buckner, New York Life, Memphis, as president of the Tennessee Life Underwriters



W. F. Hughes



W. T. Buckner

Association and by William F. Hughes, Massachusetts Mutual Life, president of the Memphis Life Underwriters Association. They are shown here in their true likenesses. In the March 13 edition, due to a transposition of captions, Mr. Buckner and Mr. Hughes were incorrectly identified.

#### Bond Sale Luncheon

On Friday noon there was held a luncheon in the interest of war bond sales with W. H. Andrews, Jr., Jefferson Standard, Greensboro, chairman of the committee, presiding. The speakers were Major Victor Grant of Colorado who is quite an orator and who is a member of the state committee for defense savings in Colorado and chairman of the speakers division there, and R. W. Fowler from the Treasury department.

#### CONVENTION STILL ON

President John A. Witherspoon opened the national council gathering. He was given an ovation as he rose to officiate.

Mr. Witherspoon gave his presidential message, during which he made the positive declaration that the annual convention will be held in August in Minneapolis, as scheduled, unless Washington requested that it not be held. With so many company conventions being called off, it is especially important for the N. A. L. U. meeting to be held, he asserted. He pointed out that those attending the N. A. L. U. convention go at their own expense whereas company funds are used to pay for company conventions.

Grant Taggart, California-Western

States Life, Cowley, Wyo., spoke a brief message as vice-president.

Treasurer Walter E. Barton delivered his report.

Secretary Herbert Hedges gave the report of the membership committee of which he is chairman. As of March 24, paid membership stood at 17,122, as compared with 16,469 last year at that date. Seven new associations have been organized this year and there are 376 such units in existence.

Mr. Hedges recited the membership sales talk that he has been giving at the regional meetings for association officers. He sets forth seven what he calls N. A. L. U. victories. The first, he said, is the introduction of pension plans by numerous companies, establishment of the Institute of Life Insurance; offering of a 2 percent service fee after the ninth year by several companies; organization of the American College; agency practices agreement; sale of defense bonds; successful fight against the twister and the unprincipled critic of life insurance.

#### Results of Questionnaire

Results of a questionnaire to develop sentiment on the idea of setting up qualifications for membership in the associations were reported by Mr. Hedges. The replies were pretty evenly divided and seem to be inconclusive. The first question was whether the association would gain in prestige through a membership qualification rule. Forty-seven associations representing 7,274 members replied affirmatively; 18 associations with 6,978 members said "No," and 10 units with 1,779 members gave contradictory or indecisive opinion.

Those favoring such a rule were asked whether one of the rules should pertain to production. Twenty-three units said "Yes," 14 "No," 10 no opinion. On whether there should be a limitation relating to length of service 23 replied "Yes," 15 "No," 17 no opinion.

The questionnaire asked what the effect of such a rule would be in membership; 17 felt it would cause an increase; 23 a decrease; 6 no effect; 25 no opinion.

#### Large Associations' Stand

Most of the larger associations, with New York City as a conspicuous exception, voiced opposition to a qualification rule, but Mr. Hedges remarked that most of the large cities in one way or another do exercise membership control.

The committee, Mr. Hedges said, as a first step will prepare a recommended form for applicants for membership to complete. It will be modeled after the form that is used in San Francisco, which asks whether the applicant devotes his entire time to life insurance; if not, to explain; number of years with company, agency, previous employment record. The form also includes a pledge not to rebate and to refrain from circulating derogatory literature about companies.

#### Regional Conferences

Mr. Hedges spoke most enthusiastically of the effect of the regional conferences that have been held at 11 points for local association officers. The N. A. L. U. was represented at these gatherings by nine trustees, four officers, M. L. Hoffman, executive secretary, and F. G. Bray, New England Mutual, Houston. The final such conference will be held in Harrisburg, Pa. The 11 meetings were attended by 399 officers of local associations representing 178 units from 38 states, representing 20,000 members. There was appropriated \$5,000 for these conferences.

Mr. Witherspoon said he is firmly committed to the idea of qualification for membership.

The committee to supervise the election of the nominating committee was appointed by Mr. Witherspoon. Jack Hilmes, Equitable Life of Iowa, Des Moines, was chairman; A. E. McKeough, Occidental Life, Chicago;

Ralph E. Talley, Penn Mutual, Knoxville; Manuel Camps, Jr., John Hancock, New York; Warner Wilson, Guardian Life, Cincinnati, and Steacy Webster, Provident Mutual, Pittsburgh.

#### Hoyer on State Associations

Ralph Hoyer, John Hancock, Columbus, gave a report on state associations. He remarked that because of the activity in connection with war bond sales, interest was aroused in forming local associations in a number of places.

Harry T. Wright, Equitable Society, Chicago, spoke on the agent's compensation topic. Jack Hilmes asked whether it is possible that the 2 percent service fee could be applied retroactively to veteran agents at this time. Mr. Wright expressed the opinion such a course is impossible. Wm. Monroe, Union Central, New Orleans, expressed the opinion that the companies should pay the 2 percent, commencing now, as a conservation measure. He observed that

the companies do spend money for conservation; why not, he asked, pay the agent for such work?

#### Agency Practices Report

Clancy Connell, Provident Mutual, speaking for the agency practices committee, said there continues to be interest in developing local agreements to which managers and general agents bind themselves regardless of whether their companies are signatories to the national pact. Great strides, he said, have been made in eliminating the unfit and part timer, but proselyting has become increasingly troublesome, he declared.

Mr. Connell brought up the question of the status of agents who enter the armed services or other government work or go into a defense industry. He said in the last war numerous agents suffered penalties in the way of loss of renewals, etc., because of their war service and there have been reports of

## Let's get this straight

Save and invest in Defense Savings Stamps and Bonds. Buy all you can, regularly, every pay day.

At the same time, don't forget how empty victory will be for the family left without the means to carry on.

Life Insurance is not in competition with Uncle Sam for your dollars as we fight through to victory.

We have need of both — Bonds to keep us safe; Life Insurance to keep us secure.



## GREAT SOUTHERN LIFE INSURANCE COMPANY

E. P. Greenwood, President

Home Office

Houston, Texas



similar losses at this time. Each man should be given individual consideration, he declared. It is a complicated problem and it would be greatly aggravated if there should be a general draft of older men into defense industries. The companies, he asserted, should treat the question realistically and yet sympathetically; it should be understood that it is a matter with which the companies can deal. The agents should be tolerant toward the companies in their handling of the problem.

### NATIONAL BANKS

Judd Benson, Union Central, Cincinnati, advocated that the N. A. L. U. take a firm position against part time insurance selling on the part of those who take well paid defense or government jobs. In Cincinnati, he asserted, through the cooperation of committees of the life underwriters association, the licenses were canceled of 15 men who had gone into government work, such as with the ordnance department, and into defense jobs. Unless the situation is closely watched, years of progress in eliminating part timers may be lost over night. Men who take full time, adequately salaried defense or government jobs, he said, can go back to life insurance after the war, but in the meantime they should keep out of life insurance.

Mr. Connell also touched on the issue surrounding the licensing as an agent of the Franklin Square National Bank in New York. Superintendent Pink of New York became much interested and sponsored an amendment to the licensing law to prohibit the certification of national banks to sell life insurance. Mr. Connell said he had just received a wire reporting that this bill had been reported out of committee.

### State Law and Legislation

Philip B. Hobbs, Equitable Society, Chicago, reported as chairman of the committee on state law and legislation. He gave some practical advice on how to have satisfactory relations with the state legislature.

During the noon hour there was an enthusiastic luncheon on defense bond sales and there were several company luncheons including John Hancock Mutual, Union Central, Mutual Life, Penn Mutual.

### Election of Nominators

At the afternoon session balloting took place to select the nominating committee. President Witherspoon submitted these 15 names, with five to be elected:

E. P. Balkema, Northwestern National, Detroit; Hugh S. Bell, Equitable of Iowa, Seattle; Judd C. Benson, Union Central, Cincinnati; Francis Bray, New England Mutual, Houston; Charles E. Brown, Mutual Life, Grand Rapids; Charles E. Cleeton, Occidental Life, Los Angeles; J. E. Conklin, Equitable Society, Hutchinson; Edward R. Gettings, Northwestern Mutual, Albany; Lloyd D. Harrison, Phoenix Mutual, Newark; William Hughes, Massachusetts Mutual, Memphis; J. S. Knight, Provident Life & Accident, Jackson, Miss.; John Moynahan, Metropolitan Life, Chicago; Eber Spence, Provident Mutual, Indianapolis; Frank Vesser, Reliance Life, St. Louis; Frank Wigginton, Bankers Life of Iowa, Pittsburgh.

C. J. Zimmerman, Connecticut Mutual, Chicago, gave a masterful analysis and presented recommendations in connection with the various life insurance tax proposals that have been made by the Treasury Department. Mr. Zimmerman is chairman of the committee on federal law and legislation. He made a very able, eloquent presentation of a multiplicity of involved points and when he concluded the crowd got to its feet spontaneously and gave a prolonged ovation.

W. H. Andrews, Jr., reported as

chairman of the national defense savings committee. He said 350 local associations are taking part in the work with 15,000 individual agents. They have approached 37,000 firms and enrolled 20,000. The 37,000 firms have 10,000,000 employees and the 20,000 that have signed up have 6,400,000 employees. Bonds sold and pledged to be bought now total \$321,718,000. The objective now is to get \$1,000,000,000 by the time of the Minneapolis convention.

Clifford Orr, National Life, told how the work is being done in Philadelphia; Eber Spence, Provident Mutual, told about the activities in Indiana; George Huth recited some of the experiences in Chicago. He pointed out the great opportunity that exists for creating prestige for the business with the people and with the government.

Then Roy Ray Roberts, State Mutual, Los Angeles, gave a talk on education. Earle H. Schaeffer, Fidelity Mutual, Harrisburg, Pa., gave a report on life insurance information. He exhibited some interesting advertisements to appear in Hartford newspapers sponsored by the local life underwriters association. These "ads" are of a timely nature and they can be used by associations in other cities. One purpose is to try to stir life insurance desire among defense workers.

There was taken a long recess while the trustees again went into a huddle on the headquarters setup.

W. Rankin Furey, Berkshire Life, Pittsburgh, gave a report on local association administration. He favors continuation of the regional meetings for association officers.

### MINNEAPOLIS PLANS

James E. Rutherford, Penn Mutual, Seattle, reported on the Minneapolis convention program. Some changes in pattern have been decided upon. On Monday will be held the meeting of the Million Dollar Round Table and of the state presidents. Then on Tuesday is scheduled the national council session, instead of on Monday as in the past. Usually Tuesday has been given over to the Million Dollar Round Table, General Agents & Managers gathering, and women underwriters sessions.

Regular convention sessions are set for Wednesday, Thursday and Friday mornings. On Wednesday afternoon will be held the general agents and the women underwriters meetings. The "Life Underwriters in National Service," has been selected tentatively as the theme.

Homer L. Rogers, Equitable Society, Indianapolis, submitted the resolutions. There was a memorial to the late Roger B. Hull, who was general counsel of the N.A.L.U.

Another memorial read:

### Agents in Armed Forces

"Whereas, we are now at war, and many of our field force are and will be entering the military service of our country, therefore be it

"Resolved that no penalties be imposed upon said representatives due to their participation in the war effort, and be it further resolved that so far as possible all their rights, benefits and privileges continue to be maintained." One of the resolutions adopted set forth:

"Whereas, because of the great social benefits of life insurance in bolstering the morale of the men in the armed services through the knowledge that should they make the supreme sacrifice, their dependents will be adequately protected and because life insurance relieves society of the burden of supporting dependents, it is highly essential that:

"1. Each man in the armed services be given every opportunity to keep in force the life insurance he already owns at the time when he enters the armed services, accomplishing this objective whenever necessary by availing himself of the benefits justly offered to him

## LIFE INSURANCE IS CONSERVATION

Conservation . . . a word very much in the news nowadays . . . is not new to the business of Life Insurance.

For Life Insurance is Conservation . . . putting away some of today's earnings for protection against the uncertainties of tomorrow.

Life Insurance, which helps men build individual defense, now joins up "for the duration" and contributes vitally to the national defense with the investment of billions of dollars in Government securities to buy more planes and tanks and guns.

*The*  
**NATIONAL LIFE  
AND ACCIDENT  
Insurance Company, Inc.**

C. A. CRAIG, Chairman of the Board      NATIONAL LIFE AND ACCIDENT INSURANCE COMPANY      C. R. CLEMENTS, President  
HOME OFFICE      NATIONAL BLDG.      SHIELDS YOU  
**NASHVILLE      TENNESSEE**

under the Soldiers and Sailors Civil Relief Act and

"2. Each man be made to understand the desirability of and given every opportunity to purchase the maximum amount of life insurance made available to him by the United States government under the National Service Life Insurance Act;

"Therefore, be it resolved that the National Association of Life Underwriters pledges the government of the United States its utmost cooperation; that we extend our help in every way possible that the men called into the armed services may be fully informed, and have every opportunity to avail themselves of the benefits wisely offered them under the Soldiers and Sailors Civil Relief Act and the National Service Life Insurance Act."

#### Surplus Is Higher

Walter E. Barton, Union Central, New York, reporting as treasurer, said surplus is about \$6,400 higher than at this date last year. There was \$3,000 additional expenditure for the committee on law and legislation and an additional appropriation may be necessary for this work.

Ralph E. Talley, Penn Mutual, Knoxville, as chairman of the committee on conservation, endorsed the proposal that the name of the group be changed to committee on persistent business. It is persistency rather than reinstatement that is the objective, he said.

Sidney Wertimer, Prudential, Buffalo, advocated that the effort be made in the various cities to bring about the creation of life insurance committees within the chambers of commerce. It is up to the life insurance people, he declared, to show the local chamber that life insurance is a major factor in the life of the city. In broaching the proposal, he said, the life insurance people should present a program of suggested activities for a life insurance committee. It will be well to show the local chamber the number of persons in the city engaged in life insurance, amounts paid for rent, taxes, supplies, etc., volume of business in force, payments to policyholders and beneficiaries, value of real estate owned by insurance companies, and life insurance investments in the country.

#### Suggested Activities

A life insurance committee, he declared, might report statistics regarding the business locally, participate in civic projects, cooperate in war efforts, cooperate in legislative work, and seek to prevent twisting and objectionable life insurance advertising and radio programs.

Mr. Wertimer is chairman of the committee on cooperation with the U. S. Chamber of Commerce.

Roy Ray Roberts, State Mutual, Los Angeles, reporting as chairman of the committee on education, voiced the hope that the intermediate training course which is being developed by a committee of the Life Agency Officers Association will soon be out of the discussion stage and ready for actual introduction. Mr. Roberts reported that a teaching unit on consumer education in life insurance has been completed in California and is on the presses.

Miss Virginia Reinecke, daughter of A. A. Reinecke, agent for the Hobart & Oates general agency of Northwestern Mutual Life in Chicago, is assistant counselor of women and director of union activities at the University of Oklahoma, Norman. Miss Reinecke has been presenting a series of career conferences for women, with successful women from over the country appearing as speakers. Mr. Reinecke arranged for the appearance on the conference program of Miss Beatrice Jones, Equitable Society, president of the New York City Life Underwriters Association, who was born at Enid, Okla. Miss Jones spent several days at the university and made quite a hit.

## Urges Estate Planning by Women

NEW YORK—Today everyone is thinking in terms of safety and wondering about security which has hitherto been taken as a matter of course, Miss Bertha M. Loheed, Fidelity Mutual Life, president League of Life Insurance Women, New York City, stated in an address sponsored by the special committee of finance and investment of the New York City Federation of Women's Clubs, in a forum on money management for home makers. People everywhere are looking over possessions with appraising eyes, revaluing them and wondering how much more they can be made to do for themselves or for others, she said.

About 80 percent of life insurance money is paid to women, she said, and the majority of men leave only life insurance property, thus life insurance is of paramount importance to women. The modern service of life insurance emphasizes more and more the planning of life insurance as a foundation of investment for the average family and through it the continuance of income as a means of attaining security. Security has to be planned for, and needs the assistance of women.

#### Should Assist Their Husbands

Wives can help their husbands first of all by their interest and cooperation even if they don't actually work at the life insurance plan. Building financial security through life insurance, the family has a right to the services of an able, well equipped agent. Don't expect to complete all of the plans at once, but put first things first and buy as you do other things for your home.

Old life insurance policies should be reviewed by the trained agent because there may be valued rights for the assured which were not specified in the contract but which may be pegged as of the present time. Miss Loheed emphasized that it is never necessary to pay anyone to help collect life insurance money.

#### Recommends Named Beneficiary

On the first page of the policy is placed what is to be paid and to whom. "I hope it's not to the 'estate'," Miss Loheed said. "There are occasions where

## Guardian Appoints 3 New Managers

Guardian Life has appointed new managers in Pittsburgh, Cincinnati and Washington, D. C. William L. McLain, a member of the Guardian field force for 13 years, is the new head of the Pittsburgh agency. Thomas S. Muir, Guardian's Warren, O., divisional representative for nine years, becomes manager in Cincinnati and Charles W. O'Donnell, with over 14 years production and management experience, in Washington.

Mr. McLain, who succeeds the late Harry C. Snyder, started with Guardian in Detroit as a personal producer in 1928. After preliminary management training in Indianapolis, he went to Pittsburgh as supervisor in 1936.

He was introduced to his fellow Pittsburgh managers by F. F. Weidenborner, agency vice-president, at a luncheon.

Mr. Muir, who joined Guardian in 1933 after graduation from the University of Michigan, returns to his birthplace in Cincinnati after an absence of nine years. He has been active in association and civic affairs. He was introduced to the life insurance community at a luncheon in Cincinnati by George L. Mendes, assistant superintendent of agencies.

Mr. O'Donnell is a lifetime resident of Washington and has held several official positions in the Life Underwriters Association there. His appointment was announced by Agency Secretary John C. Slattery at a luncheon.

it is wise, but generally it means unnecessary delay and expense." She added that if just one person is named without contingent beneficiaries, it may cause delay and expense and possibly send the money in the wrong direction.

A dramatic story of life insurance is in the four emergency possibilities of the policy: cash; principal at a guaranteed interest rate subject to withdrawal; payment of certain amounts for a definite period of time, making use of compound interest until principal is exhausted, or combining payments of interest and principal for a specified period of years or for life—the annuity. Through the exercise of these choices in effect a life insurance will is made, but one which doesn't have to be probated, can't be contested, and which, without going through the estate comes directly from the life company to the beneficiaries. It is of the utmost importance that every woman should know of these choices because if provision for them has not been made by the husband, they will be open to her, Miss Loheed concluded.

Subscribe to **Accident & Health Review**, \$2. 175 W. Jackson Blvd., Chicago.

## Mrs. Gehrig's Success as Agent Is Inspiring Story for Insurance People

One of the outstanding agents of Travelers in Iowa is Mrs. Cecilia M. Gehrig of Dubuque, whose success in the insurance business constitutes an inspiring story. Mrs. Gehrig has built up a large accident account and is one of the company's outstanding multiple line producers. She has accounted for a large volume of life insurance, and has 150 weeks of consecutive weekly production to her credit.

Six months after she left her job as a bookkeeper in a bank to be married, her husband was seriously injured in an automobile accident and became incapacitated. Mrs. Gehrig became the breadwinner for the family. After the second child was born, Mr. Gehrig died.

She achieved some success in selling bonds and then entered life insurance. She joined Travelers in 1936. She has successfully reared and educated two children while carrying on her business career. In selling insurance she has not needed to say, "Ask a widow what she thinks of life insurance," but simply says, "Let me tell you what a struggle it means to be without it."

## Our New ARROW of GOLD POLICY Provides—

- 1—Low cost protection at less than term rates.
- 2—Selection of any renewal period (not less than five).
- 3—Renewal privileges any number of times until age 60.
- 4—Final renewal to age 70 (selection period ends at age 60).
- 5—Conversion privileges any time until age 70.

A liberal, flexible, low cost contract. Extraordinary first year commissions and renewals.

## Illinois Bankers Life Assurance Company

MONMOUTH, ILLINOIS

Exceptional General Agency contracts in the states of Illinois, Iowa, Indiana, Ohio, Missouri and Kansas

LIFE • ACCIDENT • HEALTH



## Statistical Men Prepare for Annual Meeting

In view of the widespread problem of decreased man power, there is great interest in the program of the annual conference of the Insurance Accounting and Statistical Association, which will be held at the Hotel Jefferson, St. Louis, April 23-24. One of the objectives of these conferences is always the improvement in the efficiency of statistical operations.

Advance registration and equipment exhibition will be held April 22. The general session will open the morning of April 23 with outstanding speakers discussing practical subjects. That afternoon the group will break up into life, fire and casualty sections. The annual reception and banquet of the conference will be held that evening.

On April 24 the group will view exhibits, hold sectional luncheons, and conclude the conference with an afternoon of sectional meetings.

## Florida Taxes Set Record

TALLAHASSEE, FLA. — Premium taxes from insurance companies operating in Florida will reach an all-time high in the current year which ends June 30. The 2 percent tax so far totals \$1,135,779, compared to \$1,042,963 for the whole of the previous fiscal year. This year's total includes \$495,804 from fire and casualty companies and \$639,974 from life companies, as against \$460,382 and \$582,580 last year.

## New "Victory Club" Launched

Appropriate to the nation's objective in the war, "Massachusetts Mutual Victory Club" has been selected as the name of a new production honor roll announced by President B. J. Perry for full-time representatives and general agents.

Membership requirements include first-year commissions on life insurance and annuities in Massachusetts Mutual of at least \$3,000 and sales must cover at least 24 lives in the club year beginning April 1.

When the war has been won, qualifying members of the new club will attend a Victory Convention as guests of the company.

## New Register Life Lien Reduction

Occidental Life of California announces a 25 percent reduction in liens against policies of the former Register Life of Iowa. This is the seventh and largest such reduction since Register Life was taken over for management by the former Guaranty Life of Davenport, in 1934, and the fifth made under the management of Occidental, which absorbed Guaranty Life in 1937. A 20 percent reduction was announced in 1941.

## Change Made in Ranking

In the table ranking 308 companies by business in force published in last week's issue, the Union Central was shown as having \$1,343,919,897 of insurance in force. This should have been \$1,137,919,897. The larger figure included annuities which are not intended to be shown in this listing. This changes the company's correct relative standing to 17th and that of the Connecticut General and Lincoln National to 15th and 16th respectively.

## Niemann Agency Feted

DES MOINES, IA. — W. K. Niemann home office agency was honored by the Bankers Life of Des Moines at a luncheon celebrating its sixth consecutive year of country-wide leadership. Among company officials attending were Gerard Nollen, president; W. W. Jaeger, vice-president, and W. F. Winterble, director of agencies. The agency wrote over \$3,500,000 in new business last year.

## Louisville Head



TOM E. LIPSCOMB

Tom E. Lipscomb, who has been associate general agent at Louisville for Penn Mutual Life since 1930, now becomes the general agent there following the death of A. W. Finley.

## A. L. C. Medical Men Plan Meeting

Plans are taking shape for the annual meeting of the Medical Section of the American Life Convention, to be held at the Broadmoor, Colorado Springs, June 4-6. Dr. W. F. Blackford, medical director Commonwealth Life, is chairman and will preside.

Dr. J. R. B. Hutchinson, medical director Acacia Mutual, is program chairman.

A number of outstanding medical men from the United States and Canada will speak. Among subjects to be discussed will be war and post-war problems affecting life insurance policyholders and applicants.

A number of members are planning to take their families and include the Medical Section meeting in their vacation plans.

Officers of the section include: Vice-chairman, Dr. T. H. Dickson, medical director Minnesota Mutual; secretary, Dr. B. F. Byrd, medical director National Life & Accident; member of the board, Dr. J. M. Livingston, medical director Mutual Life of Canada.

## Effect of Air Clause on Loans Is Not Clear

In the March 13 edition the Veterans Administration was quoted as denying that it is declining to make advances to pay premiums under the soldiers and sailors civil relief act to those whose policies contain an aviation exclusion clause. Since that time THE NATIONAL UNDERWRITER has received word from several insurance companies stating that certain of their policyholders have been denied the benefit of the soldiers and sailors relief act because of the aviation restriction in their policies.

## Tax Revision Move in Neb.

LINCOLN, NEB. — Petitions with apparently the required number of signatures have been filed for placing on the ballot an initiated law revising the state's system of taxation. Among other things it is provided that all insurance companies holding or owning property of any kind shall pay taxes thereon at the rate applicable to all taxpayers. Fraternal are added to the list of companies to pay the 2 percent premium tax. It is further provided that every Nebraska fraternal operating on a legal reserve basis shall pay 6 mills on gross premiums in lieu of all other taxes. Other domestic insurers must pay the same rate. It is now 4 mills. From the definition of what constitutes intangible property life, health and accident policies are excepted.

## GENERAL AMERICAN LIFE Insurance Company

WALTER W. HEAD, President  
St. Louis, Missouri



## Financial Statement December 31, 1941

### ASSETS

Cash on Hand and in Banks...	\$ 8,013,050.23
Bonds—	
① U. S. Government.....	18,199,022.31
Other Bonds.....	9,731,403.65
Cash and Bonds.....	\$ 35,943,476.19
First Mortgage Loans on Real Estate.....	39,291,927.94
Home Office Building.....	950,000.00
Other Real Estate.....	14,432,218.65
Real Estate Sales Contracts.....	738,423.59
Stocks.....	2,292,122.25
Other Loans and Assets.....	785,461.76
Interest and Rents on Investments Accrued But Not Yet Due.....	754,404.79
Interest and Rents Due on Investments (None of which is past due more than 90 days)...	288,463.51
Net Premiums in Course of Collection.....	1,999,789.30
② Balance of Initial Policy Liens.....	7,623,126.00
Loans to Policyholders.....	25,496,680.77
③ Total Assets.....	\$130,596,094.75

### LIABILITIES

④ Policy Reserves.....	\$120,730,090.79
Premiums and Interest Paid in Advance.....	818,651.29
Reserve for Taxes.....	834,980.38
Reserve for Other Liabilities.....	788,768.11
Policyholders' Dividends.....	1,372,926.62
Total.....	\$124,545,417.19
Portion of Current Year's Earnings Available for Future Dividend Declaration to Participating Policyholders.....	469,259.00
Contingency Reserve.....	3,376,487.72
Under Purchase Agreement..	\$2,703,445.60
For Group Insurance.....	523,042.12
Other.....	150,000.00
Capital Stock and Guaranty Fund.....	500,000.00
Surplus.....	1,704,930.84
⑤ Total Liabilities.....	\$130,596,094.75

① Actual Market Value of Bonds is more than \$2,180,000 in excess of the amounts shown above.

② Does not include liens totaling \$806,050 which have been discharged by payments in cash or credits by policyholders, nor \$165,986.79 liens on dividends on deposit, both of which items will share in future lien reductions.

③ Includes assets in "Old Company Account" established under Purchase Agreement dated September 7, 1933, on file with the Superintendent of the Insurance Department of the State of Missouri, (copy of which agreement may be obtained from him or the company), against which the Superintendent reserved a lien to protect certain liabilities therein described and fully included among the liabilities in this statement. Status of Old Company Account on file with the Superintendent and with the company.

④ Full net legal reserves on policies issued by General American Life are secured by deposit of approved securities with the Superintendent of the Insurance Department of the State of Missouri. The capital stock, guaranty fund, and surplus are additional protection for all policyholders.

\* \* \*

MULTIPLE LINES: Participating • Non-Participating • Salary Savings • Juvenile Sub-Standard • Annuities • Commercial Accident and Health and Hospitalization Group Life • Wholesale Insurance • Group Accident and Sickness • Group Accidental Death and Dismemberment • Employee and Dependents Group Hospitalization with Surgical Procedure Benefits

## EDITORIAL COMMENT

### Better Relations with S. B. L. I.

WITHDRAWAL of the proposal to permit New York savings banks to write double their present \$3,000 per life limit if the applicant were a mortgage borrower seems to point to an era of happier relations between savings bank life insurance leaders and life insurance men. One of the reasons for eliminating the proposal from the bill now pending in the New York legislature was a realization of the ill-will it would stir up among life insurance men and the cat-and-dog fight that would inevitably ensue before the bill's fate had been decided.

Savings bank insurance is definitely established in New York state. It hasn't proved the large-scale competitor that some feared it would but neither has it shown any signs of withering up and blowing away. Whether savings bank life insurance in principle is right or wrong is an idle question in New York state. It is there to stay, regardless of anything the life insurance business might prefer.

It is fortunate for life insurance as a whole—including savings bank insurance as well as regular life insurance—that as S.B.L.I. grows its leadership seems to take the progressive, constructive view rather than feeling that one of the principal missions should be to show up the alleged shortcomings of regular life insurance and in particular of the agency method of distribution. If savings bank insurance holds to its logical sphere it would seem possible that the sale of life insurance by agents might eventually be greater rather than

less by reason of the banks' insurance activity.

It is a fact that some savings bankers active in the life insurance side of their banks' work have used all their influence against the destructively competitive sales promotion which plays up the no-commissions-to-agents type of cost appeal. In spite of all this, however, there are bound to be occasions when literature and advertising offensive to life insurance agent will be put out. These provocations will tempt many life insurance men to start swinging from the floor. This in turn may discourage the cooler heads among the savings bankers from trying to pursue a live-and-let-live course.

Aside from the ethics of promoting sales by disparaging life insurance sold by companies, the banks are better off from a purely selfish point of view in abstaining from such tactics for they stand to sell more insurance by not antagonizing people. Agents are not the only persons compensated by commissions and a slap at the payment of commissions is a slap at many potential buyers.

Years ago there was quite a lively business in putting out defamatory material about various life companies for the use of competitors. Little of that sort of thing now remains. Life insurance sold by companies and life insurance sold by savings banks are and will continue to be competitors. But all hands, including the public, will be much better served if the competition is kept as clean as possible.

### Hold American Table at Fault

It is a saddening thought that an old and true friend of life insurance, the American Experience table, must be jettisoned largely on account of the public's feeling that it is paying too much for insurance because the table no longer represents current death rates. It appears to be virtually impossible to convince the public that the American Experience table does not determine the cost of life insurance and that the net cost of coverage to the policyholders would be no less under a modern table.

If any proof of this were needed it can be found in the gullibility which many newspaper editors displayed in their laudatory references to the efforts which the "Society of American Policyowners" claims to be making to save policyholders a great deal of

money by forcing the introduction of modern mortality tables. The significant thing about this editorial reaction was not so much that the editors didn't know enough about life insurance to realize the fallacious basis of the argument but that they jumped at the chance to take a crack at the companies for using the American Experience Table.

Instead of exercising a little editorial skepticism and bringing to light the fact that the Society of American Policyowners is to date little more than a gleam in the eye of its promoter, Clarence Jackson, a former employee of the well known insurance counsellor, Morris H. Siegel, these editors took the authentic-looking news release which Jackson put out at its face value.

If newspaper editors, who by train-

ing and experience might be supposed to be alert to the wiles of publicity-seekers, can be so easily needled into making derogatory references to life insurance it is small wonder that the public is considerably confused about the role of mortality tables in determining

life insurance net costs. Since it is probably an impossible task to convince the public of the true facts, it is just as well that insurance commissioners and the companies are determined to change to a more modern mortality basis.

## PERSONAL SIDE OF THE BUSINESS

There has been published in pamphlet form the story of the Lincoln birthday service at the Grand Army Hall & Memorial under the auspices of the Grand Army Hall & Memorial Association of Illinois in Chicago. The address on the occasion was made by **Maj. Ferre C. Watkins**, well-known attorney, president of the Union League Club and also attorney for the liquidation bureau of the Illinois insurance department. Major Watkins is an outstanding orator.

**Hugh H. Staubes**, district manager for the Mutual Life of New York at Utica, N. Y., has completed requirements for membership in its \$200,000 Field Club, this being the fifth club convention that he has attended. During February his annual business was the eighth highest among all the agents of the company. He entered the life insurance business in 1925 and has been associated with the Mutual Life ever since.

**T. H. Gooch**, superintendent of **Canada Life**, visited the Chicago branch and was joined there by **S. C. McEvenue**, general manager. After a day in Chicago, they journeyed west for an extended trip through the Pacific Coast branches.

**Joshua N. Warfield**, president of **Eureka-Maryland Assurance**, Baltimore, has been appointed state senator from Howard county. Mr. Warfield's uncle, the late Edwin Warfield, was governor of Maryland and an organizer of **Fidelity & Deposit**. Mr. Warfield is a former chairman of the Democratic state central committee.

**Harold J. Fett**, Newark manager of **Mutual Life**, who has been in the Mountside Hospital, Montclair, N. J., for more than a month, where he underwent a serious operation, has left the hospital, and is now at his home. He will be confined to his home for at least three weeks.

**A. F. Gillis**, Newark general agent of **Provident Mutual Life**, celebrated 20 years with the company Friday. He started as an agent when **Louis F. Paret** was general agent. In 1929, Mr. Gillis was made Newark manager and in 1930 was appointed general agent for northern New Jersey, succeeding Mr. Paret, who took charge of the Camden, N. J., and Philadelphia agencies.

**Frank L. Barnes**, vice-president and agency director of **Ohio State Life**, has been elected vice-president of the **Civic Association of Upper Arlington, O.**

Petitions have been filed for **Stanley D. Long**, for nine years secretary of **Pathfinder Life of Grand Island**, as a candidate for the Democratic nomination for governor of Nebraska.

**Sam M. McGaw**, president of the **Nashville Association of Life Underwriters**, was kept away from the sales congress and the midyear meeting

of the National association at Memphis by the marriage of his daughter, **Miss Miriam McGaw**, to **Frederick Cowden** on Saturday.

The Memphis mid-year meeting of the National Association of Life Underwriters was the 20th consecutive such session that has been attended by **C. Vivian Anderson**, Provident Mutual, Cincinnati, former president of the N. A. L. U. The first meeting Mr. Anderson attended was at the Astor in New York in 1923.

## DEATHS

### Miles Dawson Dies at the Age of 79

NEW YORK — **Miles Menander Dawson**, widely known actuary and insurance lawyer of this city, died at Orlando, Fla., last Friday. He was 79 years old. He suffered a stroke several years ago, since which time he was practically retired. A native of Viroqua, Wis., and son of a prominent local agent of that city, Mr. Dawson early became attracted to the life insurance field and started as an agent of **Northwestern Mutual Life** in Chicago. Subsequently he came to this city and established himself as a consulting actuary, being retained as such by a number of small companies. These connections he resigned in 1905 to become technical adviser to **Charles E. Hughes** in the investigation of the life companies, devoting part of each evening during the course of the proceedings to preparing the technical inquiries propounded by Mr. Hughes to managing officials the following day.

At the conclusion of the famous investigation, which incidentally made Mr. Hughes a national figure, Mr. Dawson was a factor in drafting the insurance laws which now govern the operations of the life companies in this state. His next important assignment came in 1906, when he was named to assist the **Royal Commission on Life Insurance of Canada** in conducting a study of life company operations in the Dominion.

Always interested in social welfare, he urged the enactment of a strong workmen's compensation law in New York, and so convinced the then governor, **Col. Theodore Roosevelt**, as to its desirability that the latter stated he would regard the enactment of such legislation as the crowning accomplishment of his administration. The compensation law now in force in the state was adopted soon thereafter and was promptly signed by **Charles E. Hughes**, who succeeded **Col. Roosevelt** as governor.

Having passed the required examina-



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"I'll bet I could be a REAL successful insurance agent. Why, I could sell insurance by telling what it has done for Bobby and me!"

tions for admission to the actuarial societies, both of the United States and Canada, in which incidentally he was coached by the late Henry Moir, then actuary of the Home Life, Mr. Dawson next qualified as a member of the New York bar, feeling a knowledge of law would help in his insurance activities. In company with his elder son, the late Albert Dawson, Miles M. opened an insurance accounting office here and for years audited the records of several life and casualty companies.

A man of great mental and physical energy, Mr. Dawson found time, in addition to his insurance and legal work, to write several volumes of verse and to contribute special articles to a number of insurance publications. He was also the author of various insurance text books. Surviving, in addition to his wife, is a son, Blaine R. Dawson of Winter Park, Fla.

### General Agent-Philosopher Dies on Trip to Home Office



CARROLL C. DAY

Carroll C. Day, Oklahoma City, for 30 years general agent of Pacific Mu-

tual Life in Oklahoma, died suddenly in Los Angeles on a business visit to the home office. In apparent good health when he flew to California last Wednesday, he expected to return home this week. His death was attributed to apoplexy. His daughter, Mrs. Worley W. Stewart of Los Angeles, left immediately after the death of her father for Oklahoma City to join her mother, the only other survivor. W. M. Rothaermel, vice-president, escorted the body home where funeral services were held. For two years Mr. Day served as president of the Oklahoma Association of Life Underwriters and for two years as a vice-president of the National association. He also served two years as president of Pacific Mutual's general agency association and in 1931 declined nomination for president of the National association.

Mr. Day was in great demand as a speaker and he gave his famous "Philosophy of Living" talk before many state and local associations.

Born in Butler, Mo., in 1885, Mr. Day began a life that from early boyhood spelled success. His initial business venture was to pasture neighbor's cattle on land owned by his uncle which netted him \$2,000 within eight years without disturbing his school work.

#### With Pacific Mutual Since 1911

Upon graduating from high school he became cashier in a small bank, managed the home town newspaper, dabbled in real estate and several other lines. In 1911 he became associated with Pacific Mutual Life as agent with the Tribble & Osborne agency in Oklahoma City and immediately realized that he had found his life's work. The following year he was made general agent and with two salesmen, laid the foundation for his agency, unique in its originality of operation and the caliber of the business written.

Mr. Day gained fame as an educator in life underwriting and 10 years ago his company adopted his manuals on sales training for use in all agencies.

As a philanthropist and civic worker, Mr. Day was voted the most useful citizen of Oklahoma City in 1931. He served as president of the Oklahoma Chapter of American Red Cross, Oklahoma Community Chest and the Better Business Bureau. Two weeks



We're celebrating our

75<sup>th</sup> Birthday



THE UNION CENTRAL LIFE  
INSURANCE COMPANY

Cincinnati, Ohio

OVER \$400,000,000 IN ASSETS



ago he was made chairman of the volunteer bureau of the city-county defense council.

**Ray P. James**, actuary of Atlantic Life, died from a heart attack. Before going to Atlantic he was associate actuary of the Virginia department. He served in the first world war in the marine corps, becoming connected with the department after the war. A graduate of Virginia Military Institute, Mr. James was instructor in mathematics there for a time.

**Lee A. Starks**, Rochester, N. Y., died at his home there. He was with Metropolitan Life 20 years and later with Massachusetts Mutual and the city of Rochester as an insurance consultant for three years.

**E. C. Wiggernhorn**, 77, Ashland, Neb., banker and for a number of years a director of Midwest Life of Nebraska, died.

**Frank H. Hardison**, insurance commissioner of Massachusetts from 1907-1919, died at his home in Wellesley at the age of 92. A native of Boston, he graduated from Dartmouth in 1876 and spent the next few years on various newspapers, becoming insurance editor of a Boston newspaper in 1892. He entered the insurance department in 1896 as examiner when that position was created and was made deputy in 1897.

After his retirement upon reaching the age limit of 70 in 1919 he acted until quite recently as consultant for Liberty Mutual.

## Veteran Retired Actuary Is Dead



WENDELL M. STRONG

Wendell M. Strong, who retired in 1941 as vice-president and actuary of the Mutual Life of New York, died Monday at his home at the age of 71. He was born Feb. 6, 1871, at Indianapolis. He graduated at Yale and took his master's degree at Cornell. He entered the actuarial department of the Mutual Life in 1900, became assistant actuary, then associate actuary and then vice-president and acting actuary. He was formerly instructor in mathematics in Yale for five years. He was president of the Actuarial Society of America from May, 1930, to May, 1932.

## SALES MEETS

### Cites Absence of Auto, Radio, Ice Box Competition

COLUMBIA, S. C.—With the elimination of new automobiles from the market and drastic curtailment in the sale of electrical appliances, radios and similar commodities, life agents now have little competition from that source in the sale of insurance, Wilson M. Brooks, Richmond general agent, pointed out at American National's regional conference here for general agents. G. S. McCarter, superintendent of agencies, presided.

Mr. Brooks also stressed the fact that through increased income, workers in defense industries are now able to buy more protection for their families and the situation offers life salesmen a golden opportunity to increase their production. Mr. McCarter spoke at the banquet.

E. A. Rees, manager of American National's industrial department at the home office, who started his insurance career in Louisville in 1908, was honored at a regional convention there with representatives from 10 states in attendance.

### Beneficial Has Wyoming Rally

A two-day convention of agents of Beneficial Life was held at Cheyenne, Wyo. H. M. Rollins, general agent for Wyoming, was in charge. Speakers included Harry J. Syphus, supervisor of agents; Ray Johnson, assistant secretary, and Earl Pierce, treasurer; Frank W. Bland, Pacific Coast manager of

director of Pacific Mutual Life. He is also a director of Farmers & Merchants National Bank, and a former president of the Associated General Contractors of America.

THE NATIONAL UNDERWRITER; J. Milton Olsen, president Cheyenne Underwriters Association; A. E. Wilde, state administrator of defense savings staff, and Mr. Rollins.

All the Wyoming agents, their wives and guests were entertained by Mr. and Mrs. Rollins at their home.

### Set N. W. Mutual Parley Dates

MILWAUKEE—Field men of Northwestern Mutual Life will meet here July 20-22, for the annual meeting of the Association of Agents. Plans were laid at a conference here of the association's standing committee, headed by Sterling Youngquist, Columbus, O. War problems will be considered.

### Hold Regional in Birmingham

A regional convention of Commonwealth Life was held in Birmingham. Morton Boyd, president; W. A. Lonsford, agency manager; J. L. Connor, division manager, and H. R. Reynolds, supervisor, were present from the home office.

### West Coast Managers Confer

SAN FRANCISCO—Sales activities under war conditions were considered at a conference here of branch managers of West Coast Life.

## AGENCY CHANGES

### Mutual Benefit's New Agency Heads

W. O. Cass has been named general agent at Indianapolis by Mutual Benefit Life, and George A. Myer general agent at Williamsport, Pa.

Mr. Cass, who has been production



W. O. Cass



George A. Myer

manager at Indianapolis for the last year, succeeds Virgil W. Samms who is returning to personal production. Prior to joining the Indianapolis

## COMPANIES

### Progress of Pacific Mutual Since Reorganization Is Reviewed by President

LOS ANGELES—Following the release of Pacific Mutual Life's annual statement, President A. N. Kemp took occasion to review what has been accomplished since its reorganization in 1936. During this period \$189,000,000 new insurance has been written and policyholders and beneficiaries have been paid \$117,297,490. In addition to operating profits of \$19,189,000, net profits of \$927,000 have been realized from securities, making a total of \$20,116,000. These earnings were disposed as follows: Dividends paid to policyholders, \$9,421,000; court costs and other expenses incident to organization, \$1,097,000; reserves and losses on real estate, mortgages and collateral loans inherited from the predecessor company, \$3,903,000; depreciation and charge offs not previously provided on home office property, \$1,700,000; increase to surplus account, \$3,995,000.

### Heavy Federal Investments

President Perry of the Massachusetts Mutual states that it has lost no time in buying the lawful maximum of defense bonds. However, this represents only a small part of its financial cooperation with the government. At the close of last year its federal investments amounted to over \$67,000,000. Its first year premium income was \$9,172,385 last year and in that time it invested \$9,850,000 in purchase of U. S. government bonds.

### Boston Mutual Has Strong Report

Insurance in force of Boston Mutual Life increased to \$103,589,639 in 1941, the largest gain in its 50 years. Assets increased 7 percent to \$16,192,179. Income exceeded expenditures by \$921,970. Of securities owned 72 percent were in U. S. bonds.

Policyholders and beneficiaries were paid \$1,778,552, bringing the total since organization to \$35,108,682.

S. M. Griffith, president Griffith Company, contractors, has been elected a



## Home of Complete Protection

*Life • Accident • Health*

*Annuities • Hospitalization*

*Group • All-Ways*



**Business Men's Assurance Company**

KANSAS CITY, MISSOURI

W. T. GRANT  
President

J. C. HIGDON  
Vice-Pres. in Charge of Sales



agency, Mr. Cass was in the home office for three years as agency assistant, doing much traveling. He entered life insurance in 1931 with Mutual Benefit at Oklahoma City after experience in automobile and department store sales. He established himself on the honor roll as a substantial producer, and later served as instructor in the Oklahoma City, Minneapolis, Cleveland, Denver and Wichita agencies. In 1938 he went to Newark as agency assistant with special responsibilities for advanced training work.

Mr. Cass was born in Welch, Okla., and attended Oklahoma A. & M. College.

#### Samms' Long Experience

Mr. Samms entered life insurance with Mutual Benefit in 1925 as agent at Boise, Ida. After four years went to the home office as a field service manager, in 1934 was named assistant superintendent of agencies and in 1937 appointed general agent at Indianapolis.

He was born at Enterprise, Ore., in 1890 and was graduated in engineering from University of Idaho. After war service overseas as a captain of field artillery, he returned to engineering at Boise, and later was United States surveyor general for Idaho and president of the Idaho Society of Engineers. He is past president Indianapolis General Agents & Managers Association.

Mr. Myer, a C.L.U., has been a member of the Mutual Benefit's field service staff for 2½ years. He takes charge of central Pennsylvania production. In that capacity he succeeds G. E. Otto Flock, who will devote his time to his large personal clientele.

#### Flock Leading Producer

Mr. Flock has been associated with the Williamsport agency since he entered life insurance there in 1913. He has been a leading personal producer. He was co-general agent with the late W. L. King at Williamsport, and sole general agent since 1939. Between 1913 and 1930, he maintained an average annual personal production of about \$500,000 on 55 lives. In 1938, in addition to his general agency duties, he exceeded the production requirements for membership in the National Associates, organization of the company's 25 top salesmen.

Mr. Myer entered life insurance following graduation from Johns Hopkins University. He became manager in Maryland for another company before he joined Mutual Benefit agency at Baltimore in 1937. He quickly won appointment as agency supervisor at Baltimore. In 1939 he went to the home office as an assistant in the field service division of the agency department. Since then he has assisted various agencies, including Williamsport, in training and supervisory work. Mr.

#### Paul Orr, Jr., Brings Experience to New Job

NEW YORK—Paul Orr, Jr., who has been named assistant to the manager of the Ives & Myrick agency of Mutual Life, brings to his new position an extensive experience in life insurance, although he is a young man. As assistant manager of the Guardian Life since 1938, Mr. Orr has had full charge of recruiting, training and supervision of agents, planning and conducting of sales promotion activities, and office administration. With the Ives & Myrick agency he will assist Richard E. Meyer, manager, in general administration, selection, training and supervision of new full time agents.



Paul Orr, Jr.

Myer was born at Mahaffey, Pa., in 1894.

#### R. B. Knapp Joins Youngman Agency as Production Head

NEW YORK—A. V. Youngman, general agent Mutual Benefit Life here, has appointed R. B. Knapp production manager. Mr. Knapp has since 1938 been with the company's Cleveland agency, where he had charge of training and development involving use of the "Anagraph," Mutual Benefit's device for use in programming. In addition to supervisory duties he maintained an annual average production of about \$200,000.

Before going into life insurance in Cleveland in 1932 Mr. Knapp was in the investment business. He was immediately successful in life insurance, producing better than an application a week during his first four years. He went into the supervisory side before joining the Mutual Benefit's Winkler agency in Cleveland.



R. B. Knapp

#### Geise Goes to St. Paul

S. A. Geise, agency director at Eau Claire, Wis., for New York Life, has been transferred to St. Paul as agency director. Mr. Geise has been active in the Chippewa Valley and the Wisconsin state life underwriters associations. The Eau Claire branch was the second office in the northwest department in 1940 and the banner-winning office in 1941.

David Stewart, formerly cashier at Eau Claire branch, for the past four years agency organizer at St. Cloud, Minn., has succeeded Mr. Geise as agency director. Mr. Stewart has been with New York Life for 16 years.

#### Glover's Change in Memphis

W. C. Glover has resigned as general agent of Volunteer State Life in Memphis, having served in that capacity for eight years. He decided to return to personal production and made a contract with the Northwestern National Life. His office is in the Commerce Title building at Memphis.

#### Oklahoma Setup Changed

The Oklahoma state office of Capitol Life, which has been in Tulsa, has been removed to Oklahoma City. Coy L. Inman has been named manager of the Tulsa district. Sam M. Cowan is general agent.

#### Opens Baton Rouge Agency

Protective Life of Birmingham, Ala., has opened a general agency at Baton Rouge, La., with Bennett E. Boyd in charge. Protective has recently opened agencies in Atlanta and Jacksonville, Fla.

King Baer has been appointed district manager in Toledo, O., by reliance Life, with offices at 454 Spitzer building.

#### Company Has First Aid Unit

A first aid detachment, composed of 50 employees of the home office of Life & Casualty, is now completely trained and equipped for service under direction of the Office of Civilian Defense within a radius of 100 miles of Nashville. It is believed to be the first complete detachment in the state. The detachment received its 30 hours of training under Dr. Carl Kirchmaier, medical director of the company. Among its members is Emmett Russell Jr., manager of the publicity department.

## ACCIDENT

### Long General Chairman for National A. & H. Association Annual Meeting in Detroit

DETROIT—Clyde E. Dalrymple, Preferred Accident, Milwaukee, president of the National Association of Accident & Health Underwriters, and George L. Dyer, Jr., Columbian National Life, St. Louis, first vice-president, conferred with the Detroit association officers here in regard to plans for the annual meeting of the National association in Detroit, June 29-July 1.

Roy J. Long, Great Northern Life, was chosen as general convention chairman. His associates will be T. R. Wyles, Jr., Standard Accident; Fred Grainger, Federal Life & Casualty; Ralph Rowland, National Casualty, and W. S. Faber, Detroit Insurance Agency. H. H. Jones, Commercial Casualty, was chosen as chairman of the finance committee; Kenneth O'Connor, Macca-bees, attendance; Mr. Faber, program; Glen Reitzel, Mutual Benefit Health & Accident, registration, and Robert J. Walker, Standard Accident, publicity.

It was decided at this conference that

there is a greater need than ever before to hold an annual convention and sales congress, that the accident and health interests may be fully informed of present-day developments and aroused to greater service to the public in procuring that protection which is so important in every home.

Mr. Faber has a tentative program under way which will carry messages from outstanding men in the accident and health field from all parts of the United States. Social activities will be restricted. The entire meeting is to be streamlined, and the sessions will run all day Monday and Tuesday and close with a banquet Tuesday night. Wednesday is to be reserved for executive meetings and company agency gatherings.

### Americans Taller, Travelers Raises Height Limit

Because Americans are growing taller, a national trend which has been noted particularly in the army and in women's colleges, Travelers now considers applicants for accident insurance as tall as six feet, six inches. Previously it had hesitated to accept those over six feet, four.

Travelers underwriters have not found that one section of the United States



*Safe!*

**AMERICAN NATIONAL INSURANCE CO.**

GALVESTON, TEXAS — W. L. MOODY, Jr., PRESIDENT

produces more extremely tall people than any other, but point out that whereas a generation ago men six feet, six inches tall were rare, now they are rather numerous.

A survey in a number of American colleges for women showed the average college girl is now an inch taller than the average matriculated about 25 years ago.

Today's soldiers are one to two inches taller than of 1917-18, and from five to 15 pounds heavier.

#### Insures 11 in One Family

Maurice A. Fogg, agent of Travelers at Sioux City, Ia., has placed 11 accident policies in one family of father, mother, and 11 children. This is considered a record for one household. Only the two youngest children are not insured, but the father expects to apply for accident coverage for them as soon as they are old enough. The policies are all paid on the annual premium basis.

#### Continue Cal. Group Committee

SAN FRANCISCO—In sending out the many changes and new clauses making up the California standard provisions for group disability and family expense disability policies, Commissioner Caminetti has continued the special committee in service for an indefinite period.

This committee, originally named by the commissioner in December, 1939, consists of two representatives of the department, one from the Bureau of Personal Accident & Health Underwriters, one from the accident and health section of the Group Association and one from the Health & Accident Underwriters Conference.

The commissioner suggests that the committee continue studying the problem with a view of recommending new legislation if experience with the new provisions indicates such changes are desirable.

#### Name Altman in St. Louis

At the March meeting of the Accident & Health Underwriters of St. Louis, Sydney Altman, Metropolitan Life, who is a member of the executive board of the National association, was elected president. Frank R. Philpott, Monarch Life, was elected vice-president and E. D. Mitchell, Great Northern Life, secretary-treasurer.

Mr. Altman gave "Echoes of the Kansas City Meeting" and Mr. Philpott presented one of his sales demonstrations, followed by a talk on "Self-Motivation" by Frank Vesser, Reliance Life.

#### Reinsures Nevada A. & H. Firm

First American Assurance of Reno, Nev., has reinsured its business in Mutual Benefit Health & Accident of Omaha. First American is an assessment accident and health association organized in 1940 with Prentice Hall as president. At the end of that year it showed \$10,218 assets, \$2,123 income, \$2,661 disbursements and \$76 claims.

## MANAGERS

#### Parallels Between Banking, Life Insurance Reviewed

LOS ANGELES—President A. W. Anderson of the California Bank addressed the Life Insurance Managers Association on "Your Business and Ours."

He said that there is a kinship between banking and life insurance and that both must adjust themselves to present conditions, which have been and are changing rapidly.

When a young man comes to him asking advice as to what walk of life he should enter, his advice is to take up life insurance. The life salesman who writes a prospect does a good job for himself, for the company he represents

and for his client as well, Mr. Anderson said, and also has a chance to lay up something for himself.

In his bank there is a department whose members go out to learn what a business man is doing, what his problems are and what he wants. No effort is made to sell the business man anything, but he is told the bank needs to know what is going on and if at any time it can serve him, it will do so gladly. In other words, instead of selling, the bank finds out what the business man wants and then endeavors to fill that want.

If the bank or the life insurance salesman would serve commercial business they must know what business needs. The contacts made where service will follow are the only contacts worth while.

#### Points to Canadian Success

SAN ANTONIO, TEX.—J. P. Williams of the American College of Life Underwriters, addressed a special meeting of the San Antonio Life Managers Club, in which he told of his recent visit to Canada. He pointed to the increase in Canadian life insurance sales as a hopeful omen for American underwriters. Many of the marginal producers in Canada have been absorbed by defense work while comparatively few of the better trained and effective salesmen have been lost to the military service, Mr. Williams reported.

The importance of better selection and more effective training of agents was stressed by Mr. Williams. He predicted greater sales by a smaller number of salesmen who give the buyers better service and who receive larger personal incomes.

#### Delays Avoided by Complete Data

The San Antonio (Tex.), Life Agency Cashiers Association held a round table discussion of problems of inspection as related to the work of the cashier. R. W. Sinz, San Antonio manager Retail Credit Company, explained that both inspectors and cashiers are interested in having business issued with as little delay and friction as possible. Complete information on small points, such as present and former occupations and addresses of the applicant are essential in speeding the issuance of policies.

The extremely fluid employment conditions which exist now with regard to workers on defense projects present special problems. Agents can do much to smooth the way for the issuance of the policy by securing complete information when the application is signed.

#### Gifts for Dey and McEwan

At a dinner meeting of the Life Supervisors Association of Northern New Jersey in Newark, marking the fifth anniversary of the organization, a desk set was presented to J. Stanley Dey, Newark manager of Manufacturers Life, in recognition of his originating the association. D. B. McEwan, who has been named general agent at Boston by Lincoln National Life, was presented a brief case.

#### Conference at Oklahoma City

OKLAHOMA CITY—A one day management conference was sponsored here by the Oklahoma General Agents & Managers club and the Oklahoma State Association of Life Underwriters. Classes were conducted by B. N. Woodson and L. W. S. Chapman, Sales Research Bureau. Developing present man power and recruiting new men under the 1942 conditions were considered. Marmaduke Corby, Jr., Occidental Life, was chairman.

#### Yates to Speak in K. C.

John W. Yates, Los Angeles general agent Massachusetts Mutual Life, will address the General Agents & Managers Association of Kansas City April 10 on "Priorities for Managers."

## NEWS OF LIFE ASSOCIATIONS

#### James E. Fly Is New Head of Tennessee Organization

The Tennessee Life Underwriters Association held its annual meeting in Memphis during the time of the mid-year meeting of the National Association of Life Underwriters. About 22 attended. James E. Fly, Reliance Life, Nashville, was elected president. Herbert DeMent, Northwestern Mutual, Jackson, and Cameron Brackney, Lincoln National Life, Knoxville, were elected vice-presidents. The secretary is appointed by the president.

#### Iowa State Meeting to Be in Davenport, June 5-6

DES MOINES—The Iowa Association of Life Underwriters will hold its annual meeting in Davenport June 5-6, with the annual sales congress to be held on the second day, it is announced by Max G. Kissick, Aetna Life, Mason City, state president.

Paul C. Otto, Connecticut Mutual, Davenport, will be in charge of the sales congress, which is being renewed at Davenport this year. Last year the Davenport congress was called off in deference to the sales congress held at Des Moines shortly before the annual meeting.

The Iowa Quarter-Million Club will hold its summer meeting.

Plans for holding a "Purdue" course at Iowa State College this spring appear to have been dropped, although no definite announcement has been made so far. The Purdue plan was recommended at the annual meeting at Cedar Rapids last year. It is believed, however, that because of the war the Iowa association will not attempt the plan this year.

#### Rutherford Tells Dallas Men to "Keep 'Em Signing"

DALLAS—Keep 'em signing, not only applications for United States defense bonds and stamps as insurance policies for continuance of the American way of life, but also applications for life insurance as defense bonds of the American home, James E. Rutherford, Penn Mutual Seattle National association trustee, urged at the meeting March 30 of the Dallas Association of Life Underwriters.

Mr. Rutherford said life underwriters have the opportunity of doing a bigger life insurance selling job in 1942 because the needs for life insurance will increase rather than decrease in war times.

To fix the problem or need in the prospect's mind, he listed the steps in a sale as follows:

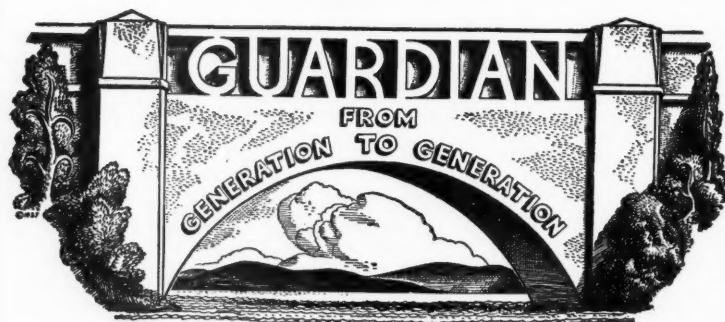
1. Have in mind the needs our product serves and the problems it solves.
2. Find a person who has one of those needs or problems.
3. Fix the problem or need in the prospect's mind.
4. Offer our product as a solution of his need or problem.
5. Explain and illustrate our solution.
6. Answer any objection by (a) yes-but method, (b) head-on method, (c) boomerang method.
7. Motivate to action by (a) pictures, (b) diagrams, (c) stories, (d) checks, (e) figures, (f) gestures.
8. Close by (a) starting to write the application, (b) medical close: "Let's see if you can get it."
9. Bind the company.

#### Roberts Talks at K. C. Meeting

KANSAS CITY, KAN.—Roy Ray Roberts, general agent at Los Angeles

82 YEARS OF SERVICE

## THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA NEW YORK CITY



A MUTUAL COMPANY  
ESTABLISHED 1860



for State Mutual Life, spoke at a combined meeting of the chamber of commerce and Life Underwriters Association of Kansas City. This meeting is a special annual affair and always attracts a large gathering, including city officials.

Commenting on the educational program being carried out by the National association, of which he is a trustee, Mr. Roberts said that people of education, professional men and others know surprisingly little about life insurance, which is so important in American economy.

Herbert A. Hedges, general agent of Equitable of Iowa and National association secretary, was chairman of the meeting, which was opened by W. L. Butler, Business Men's Assurance, president of the association.

**Vancouver, B. C.**—Ivan D. Robinson, Prudential, has been elected president; K. G. Kern, North American Life, and J. A. Bye, Confederation, vice-presidents; R. A. Dorrell, Sun Life, secretary; Cyril Atherton, Mutual of Canada, treasurer.

**Dubuque, Ia.**—R. N. Howes, Aetna Life, Clinton, Ia., spoke on "How to Sell Insurance in This Emergency."

**Oklahoma City**—Initial steps have been taken to establish closer cooperation and contact with industrial agents. President Mark B. Burnham has invited industrial company managers and association officers to a luncheon conference.

**Minneapolis**—John Marshall Holcombe, Jr., manager Sales Research Bureau, will speak April 9 on "The More We Are Together." Later that day he will be the guest of the managers and general agents of the Twin Cities.

**Harrisburg, Pa.**—Life insurance men have been very active in installing payroll allotment plans for purchase of defense bonds in all the industries in Dauphin and surrounding counties. W. F. McCarthy is chairman of the committee.

**Des Moines**—George Lundgren, Connecticut Mutual, vice-president, has been advanced to president to fill the vacancy caused by the death of Grady V. Fort. Albert Linton, president of Provident Mutual, will talk April 24 on inflation.

**Toledo, O.**—Robert E. Shay, Minneapolis manager of Bankers Life of Iowa, spoke on "Successful Motivation in Today's Market."

**Mobile, Ala.**—Morton Boyd, president of Commonwealth Life, spoke Thursday. He was introduced by H. T. Haithecock.

**Topeka, Kan.**—Following a report of the directors recommending a complete change in the setup of the association, a free-for-all discussion of all phases of the association's work and activities was held.

**Peoria, Ill.**—J. P. Carroll, superintendent of agencies of Lincoln National Life, will speak April 16 on "Life Underwriting Under Present Day Conditions."

## C. L. U.

### 13 Enter C. L. U. Ranks on Basis of Experience

Thirteen candidates who had previously passed all C.L.U. examinations and whose experience requirements were completed as of March 21, the date of the mid-year conferment of the American College, have been awarded their C.L.U. designations this year. Formal presentation of diplomas will be made at local C.L.U. and life association meetings. In addition, one holder of the certificate of proficiency became eligible to exchange his certificate for the C.L.U. diploma having now completed all requirements for the C.L.U. designation.

The total number of those now holding the C.L.U. designation is 1,870. There are in addition 64 holders of the certificate of proficiency, and 124 others, recent college graduates for the most part, who have passed all five examinations, but who must complete three years of experience satisfactory to the college before C.L.U. designations may be awarded them. The new C.L.U.'s are:

Alvin F. Appel, New York Life, Los

Angeles; W. Boyd Barrett, Provident Mutual Life, Ellwood City, Pa.; W. L. Bradway, Equitable Society, Pasadena, Cal.; Donald L. Daniels, Equitable Society, Boston; James B. Gates, Penn Mutual, Little Rock; Aylmer E. Harman, John Hancock Mutual, Seattle, now in active service U. S. Navy; W. Edward Howard, Prudential, Rochester, N. Y.; W. Curtis Lamb, Aetna Life, Des Moines; Robert T. Markley, Equitable Society, Chicago; Anthony I. Munday, Fidelity Mutual, Philadelphia; Ralph L. Reece, assistant to agency manager Equitable Society, Oklahoma City; Sol Schneider, Metropolitan Life, New York; Elwood T. Starbuck, brokerage manager, Bankers Life of Iowa, San Francisco; Robert S. Whitla, assistant to agency manager Equitable Society, Syracuse, N. Y.

### C. L. U. Fellowship Rally Is Held in Memphis

A fellowship breakfast for C. L. U. members was held in Memphis during the mid-year meeting of the National Association of Life Underwriters. Bruce Blalack, New York Life, Memphis, presided. Talks were made by Dr. John P. Williams, field representative of the American College; W. Rankin Furey, Berkshire Life, Pittsburgh; W. H. Andrews, Jr., Jefferson Standard Life, Greensboro, N. C.; Julian S. Myrick, second vice-president of Mutual Life, and John Moynahan, Metropolitan Life, Chicago, president of the American Society C. L. U.

### Joint Luncheon in Dallas

Joint luncheon was held in Dallas by the Fort Worth and Dallas C. L. U. chapters, with J. P. Williams of Philadelphia, educational director of the American College, as principal speaker.

Those enrolled in the Dallas C. L. U. study classes and members of the faculty attended the meeting. Mr. Williams conferred with C. L. U. leaders including John A. Monroe, Jr., dean of the Dallas C. L. U. school; H. S. Miller, Jr., president of the Dallas chapter, and Russell Pearson, president of the recently organized Fort Worth chapter.

## CHICAGO

### Miller and Heifetz Lead Mutual, N. Y., in Chicago

J. Dudley Miller of the Vermillion agency of Mutual Life of New York in Chicago last year led all the company's Chicago force of 274 agents in volume of insurance sold. Carl M. Heifetz of



J. D. Miller



C. M. Heifetz

the Heifetz agency won second place there.

Mr. Miller also ranked fourth among Mutual's 4,484 agents throughout the country in paid-for business. He and Mr. Heifetz qualified for membership in the National Field Club of top producers who wrote a minimum of \$200,000 new insurance in the year, and qualified to attend the annual business conference at Hot Springs, Va., in June.

Other leaders in the Chicago area last year included N. H. Weiss, 46th nationwide in paid-for business; H. R. Schultz, 73rd, and S. J. Levine, 30th

in number of lives insured. They are associated with the Vermillion agency. J. S. Hexton led the Hastie Agency in volume.

Mr. Miller has been a leading producer of Mutual Life since joining the Vermillion agency in 1927. For 15 consecutive years he has been a member of the National Field Club. Mr. Heifetz entered the business with the Heifetz Agency in 1938.

### SERVICE TO POLICYHOLDERS

Many companies are endeavoring to work out a just and reasonable plan for servicing policyholders even though the agents who wrote the cases are no longer in their employ. Some companies have nonforfeiture provisions on commissions so that if one leaves a company he still draws a certain commission on his old business. Others take the position that if an agent is no longer in shape to service his policyholders in the company in which they were originally written he should not be recompensed. In other words, the renewal commission is largely a service commission in the opinion of a number of executives. It is more and more necessary in the mind of many company men

to have policyholders looked after and proper service rendered. There is likely to be too little attention paid to old policyholders although they are a remarkable source for new insurance. There have been many experiments made as to proper compensation and a special committee is still working on the subject.

### ABE BLOOM SELLS \$3,000,000

Abe Bloom, former agent of Metropolitan Life in Chicago, who has been in the service for several months, now is stationed at Fort Crockett, Tex., handling the government life insurance for service men. In 11 weeks he has sold \$3,000,000 of this protection. This is not an over-the-counter proposition, he reported this week while on leave in Chicago, but the policies must be sold by personal interviews just as in civil life. Mr. Bloom also is in charge of classification at the fort. He is a C.L.U. and was one of the five winners in the contest conducted last year before the annual sales congress by the Chicago Association of Life Underwriters for the best five-minutes sales talks by agents.

Subscribe now to **Accident & Health Review**, \$2. 175 W. Jackson Blvd., Chicago.

## RECORD for 1941\* "THE OCCIDENTAL WAY"

NEW LIFE SALES: \$129,410,410\*, excluding revivals and additions... UP 74% over 1940

BUSINESS IN FORCE: Increased by \$109,919,230 to \$629,258,725\* at year's end... UP 21% over 1940. UP 301% since 1931!

PREMIUM INCOME: Increased to \$16,599,897\*... UP 17.6% over 1940

PAYMENTS TO POLICYHOLDERS: \$8,047,898\* in 1941. \$74,887,125\* since 1906... UP 11.9% over 1940

The more than 670,000\* persons insured under Life, Disability or Annuity contracts with Occidental Life Insurance Company enjoy in the fullest sense the meaning of its institutional pledge—

"More Peace of Mind Per Premium Dollar"

\*Largest in Company History

V. H. JENKINS, Vice President

**OCCIDENTAL LIFE**  
INSURANCE COMPANY OF CALIFORNIA  
HOME OFFICE • LOS ANGELES

## Latest Policy Changes

The National Underwriter is the only weekly insurance newspaper providing its readers with important last minute policy and dividend changes. Compiled by John H. Rader, National Underwriter statistician, these weekly reports supplement the data contained in the Little Gem, published in March at \$2.50 a copy, and the Unique Manual-Digest, published in May at \$5 a copy.

### Bankers Life, Neb., Rates, Dividends

The new 3 percent American experience participating and nonparticipating rates of Bankers Life of Nebraska which went into effect April 1 are presented below, together with the new dividend scale. The latter represents a reduction as a whole, but is greater on the low ordinary life preferred rates at most ages.

This company issues its nonparticipating business only with a minimum policy of \$2,500. Its participating forms are written in amounts of \$1,000 or more, except ordinary life, on which the minimum is \$5,000. The dividends herewith are per thousand dollars of face amount:

Participating Rates									
Age	Ord. Life	20 Year	Life Pay	20 Year	Life Pay	End. at 65	End. at 65	10 Year	End. at 65
20	16.57	28.04	48.33	18.03	21.11	103.32	103.32		
21	16.93	28.47	48.40	18.43	21.66	103.37	103.37		
22	17.30	28.91	48.50	18.83	22.27	103.45	103.45		
23	17.69	29.37	48.58	19.25	22.88	103.51	103.51		
24	18.10	29.86	48.67	19.70	23.55	103.60	103.60		
25	18.53	30.34	48.77	20.18	24.24	103.66	103.66		
26	18.99	30.85	48.88	20.66	24.98	103.75	103.75		
27	19.46	31.39	49.00	21.19	25.77	103.84	103.84		
28	19.95	31.94	49.12	21.73	26.59	103.93	103.93		
29	20.48	32.50	49.25	22.30	27.47	104.03	104.03		
30	21.02	33.10	49.41	22.90	28.41	104.13	104.13		
31	21.61	33.71	49.57	23.53	29.41	104.25	104.25		
32	22.22	34.36	49.75	24.19	30.47	104.38	104.38		
33	22.85	35.02	49.93	24.90	31.60	104.51	104.51		
34	23.55	35.71	50.14	25.64	32.82	104.65	104.65		
35	24.24	36.44	50.38	26.41	34.11	104.81	104.81		
36	25.00	37.20	50.63	27.24	35.52	104.98	104.98		
37	25.79	37.99	50.91	28.11	37.01	105.16	105.16		
38	26.63	38.82	51.22	29.04	38.64	105.36	105.36		
39	27.52	39.68	51.56	30.00	40.38	105.58	105.58		
40	28.46	40.59	51.94	31.04	42.27	105.82	105.82		
41	29.46	41.56	52.38	32.14	44.32	106.08	106.08		
42	30.52	42.55	52.85	33.30	46.56	106.37	106.37		
43	31.65	43.62	53.37	34.53	48.99	106.70	106.70		
44	32.84	44.75	53.96	35.84	51.68	107.06	107.06		
45	34.12	45.93	54.62	37.24	54.62	107.46	107.46		
46	35.47	47.19	55.33	38.73	57.86	107.91	107.91		
47	36.90	48.52	56.10	40.30	61.46	108.41	108.41		
48	38.44	49.95	57.04	41.99	65.48	108.98	108.98		
49	40.08	51.44	58.03	43.79	69.99	109.60	109.60		
50	41.81	53.05	59.14	45.71	75.10	110.30	110.30		
51	43.67	54.77	60.34	47.75	80.88	111.07	111.07		
52	45.63	56.58	61.69	49.93	87.53	111.91	111.91		
53	47.74	58.53	63.18	52.25	95.23	112.86	112.86		
54	49.98	60.62	64.81	54.74	104.27	113.89	113.89		
55	52.37	62.85	66.61	57.39	115.04	115.04	115.04		
56	54.92	65.24	68.26	60.23	116.31	116.31	116.31		
57	57.65	67.82	70.00	63.26	117.70	117.70	117.70		
58	60.56	70.57	73.55	66.51	119.25	119.25	119.25		
59	63.68	73.55	77.00	70.00	120.96	120.96	120.96		
60	67.01	76.76	80.21	73.74	122.84	122.84	122.84		
61	70.56	80.21	82.06	77.75	124.92	124.92	124.92		
62	74.38	83.95	84.06	82.06	127.24	127.24	127.24		
63	78.46	87.99	86.70	86.70	129.78	129.78	129.78		
64	82.85	92.36	89.10	91.70	132.60	132.60	132.60		
65	87.53	97.10	91.70	97.10	135.71	135.71	135.71		

Non-Participating Rates									
Age	Ord. Life	20 Year	Life Pay	20 Year	Life Pay	End. at 65	End. at 65	10 Year	End. at 65
20	14.53	24.02	44.59	17.68	21.54	97.03	97.03		
21	14.87	24.45	44.69	18.20	22.25	97.03	97.03		
22	15.24	24.90	44.81	18.75	23.00	97.03	97.03		
23	15.63	25.36	44.93	19.33	23.80	97.04	97.04		
24	16.03	25.83	45.05	19.95	24.64	97.04	97.04		
25	16.46	26.32	45.19	20.61	25.53	97.04	97.04		
26	16.91	26.85	45.34	21.31	26.49	97.05	97.05		
27	17.40	27.39	45.48	22.06	27.51	97.05	97.05		
28	17.90	27.96	45.64	22.80	28.52	97.06	97.06		
29	18.44	28.54	45.80	23.65	29.67	97.07	97.07		
30	19.00	29.15	46.00	24.55	30.89	97.08	97.08		
31	19.56	29.74	46.20	25.48	32.18	97.09	97.09		
32	20.15	30.37	46.32	26.43	33.55	97.12	97.12		
33	20.78	31.02	46.46	27.56	35.02	97.16	97.16		
34	21.45	31.70	46.62	28.71	36.60	97.21	97.21		
35	22.14	32.39	46.79	29.94	38.30	97.27	97.27		
36	22.95	33.19	47.00	31.33	40.19	97.42	97.42		
37	23.79	34.01	47.25	32.83	42.22	97.59	97.59		
38	24.67	34.85	47.50	34.42	44.48	97.76	97.76		
39	25.59	35.72	47.80	36.03	46.83	97.95	97.95		
40	26.57	36.64	48.10	37.70	49.20	98.18	98.18		
41	27.59	37.57	48.40	39.52	51.98	98.40	98.40		
42	28.65	38.53	48.81	42.09	55.01	98.63	98.63		
43	29.79	39.54	49.24	44.32	58.11	98.90	98.90		
44	30.93	40.60	49.72	46.93	61.74	99.20	99.20		
45	32.25	41.72	50.41	49.81	65.76	99.54	99.54		
46	33.57	42.85	50.82	52.15	69.10	99.86	99.86		
47	34.96	44.04	51.09	55.56	73.92	100.21	100.21		
48	36.42	45.28	51.82	59.12	78.97	100.61	100.61		
49	37.98	46.59	52.63	63.37	85.03	101.04	101.04		
50	39.62	47.96	53.51	68.19	91.91	101.51	101.51		
51	41.36	49.41	54.47	73.33	99.32	102.04	102.04		
52	43.19	50.94	55.53	79.63	108.41	102.61	102.61		
53	45.14	52.55	56.68	85.97	117.65	103.24	103.24		
54	47.20	54.25	56.93	94.47	130.01	103.92	103.92		

Age	Ord. Life	20 Year	Life Pay	20 Year	Life Pay	End. at 65	End. at 65	10 Year	End. at 65
55	49.39	56.06	59.30	104.67	143.95	104.67	104.67		
56	51.70	57.98	62.19	106.37	145.49	106.37	106.37		
57	54.15	60.02	64.51	108.43	147.37	108.43	108.43		
58	56.76	62.19	66.99	110.86	149.59	110.86	110.86		
59	59.52	64.51	69.57	113.74	152.23	113.74	113.74		
60	62.45	66.99	72.41	116.86	155.40	116.86	116.86		
61	65.57	69.57	75.17	120.23	159.17	120.23	120.23		
62	68.88	72.41	78.17	123.95	163.59	123.95	123.95		
63	72.41	75.17	81.39	127.95	168.69	127.95	127.95		
64	76.17	78.17	84.83	132.23	174.49	132.23	132.23		
65	80.17	81.39	88.59	136.79	180.99	136.79	136.79		

New Dividend Scale Ordinary Life									
Age	Dividends	End of Year	20 Yrs.	20 Yrs.	20 Yrs.	20 Yrs.	20 Yrs.	20 Yrs.	20 Yrs.
20	\$2.67	\$3.14	\$3.93	\$4.79	\$5.74	\$6.74	\$7.85	\$9.07	\$10.37
25	2.74	3.27	4.21	5.23	6.38	7.58	8.85	10.19	11.59
30	2.83	3.46	4.58	5.73	6.98	8.28	9.64	11.06	12.54
35	2.98	3.76	4.71	5.90	7.23	8.59	10.00	11.47	12.99
40	3.05	3.74	5.09	6.09	7.54	9.00	10.47	11.99	13.54
45	2.98	3.98	5.18	6.22	7.80	9.27	10.74	12.26	13.81
50	2.93	3.82	5.10	7.00	9.26	10.78	12.29	13.81	15.34
55	2.45	3.38	5.72	8.47	10.85	12.42	14.00	15.54	17.11
60	1.88	3.61	7.03	10.02	13.75	15.18	16.81	18.44	20.11
65	1.94	4.51	8.38	13.09	19.44	22.06	24.79	27.54	30.31

20 Payment Life									
Age	Dividends	End of Year	20 Yrs.	20 Yrs.	20 Yrs.	20 Yrs.	20 Yrs.	20 Yrs.	20 Yrs.
20	\$1.29	\$2.03	\$3.27	\$4.57	\$5.86	\$7.13	\$8.40	\$9.67	\$10.94
25	1.48	2.29	3.68	5.10	6.27	7.47	8.74	10.01	11.28
30	1.75	2.65	4.22	5.49	6.87	8.19	9.46	10.73	12.00
35	2.12	3.17	4.58	6.13	7.39	8.65	9.91	11.17	12.43
40	2.52	3.48	5.24	6.66	7.99	9.24	10.49	11.74	13.00
45	2.90	4.15	5.75	7.24	9.07	10.73	12.39	14.05	15.71
50	3.46	4.58	6.29	8.49	10.62	12.34	14.00	15.66	17.32
55	3.82	4.99	7.67	10.51	12.50	14.37	16.03	17.69	19.34
60	4.42	6.36	10.03	13.08	15.33	17.13	18.79	20.45	22.11
65	6.10	8.87	12.99	17.57	19.66	22.40	24.06	25.72	27.38

Life Paid Up at 85						
Age	Dividends		End of Year			Total
	20	15	10	5	20 Yrs.	
20	\$2.73	\$3.24	\$4.08	\$4.99	\$5.98	\$81.57
25	2.94	3.50	4.50	5.58	6.38	89.35
30	3.21	3.88	5.08	5.98	7.09	98.28
35	3.58	4.41	5.46	6.70	7.62	108.30
40	3.98	4.72	6.17	7.26	8.20	118.54
45	4.32	5.37	6.68	7.83	9.52	131.51
50	4.82	5.78	7.22	9.24	11.63	150.34
55	5.15	6.14	8.67	11.57	14.08	178.71
60	5.48	6.59	7.48	11.84	14.88	202.42
65	7.11	9.92	11.04	18.63	20.71	272.00



## Zimmerman Scans Tax Issues

(CONTINUED FROM PAGE 2)

life insurance. In 1918 the \$40,000 would earn interest of about 5 percent or \$2,000, whereas the \$40,000 today will yield interest of less than 3 percent, giving his dependents only about \$1,200, and during the earlier period, the purchasing power of the dollar was greater than it is today.

If the middle class is to be given adequate consideration, then the tax incentive offered by the life insurance exclusion must be continued and the \$40,000 level at least must be maintained.

Mr. Zimmerman took up the problem of the estate tax on proceeds of life insurance policies, tracing the confused state of affairs insofar as taxation of proceeds in excess of \$40,000 are concerned. The N.A.L.U. strongly is urging Congress to clarify the situation by an amendment which will in effect and without doubt apply the incidents of ownership tests to the taxability of life insurance. The amendment suggested to the committee by the American Bar Association, he declared, would seem to be entirely satisfactory.

"The association recommends to the Congress that the existing confusion as to the circumstances under which the gross estate includes amounts received under life insurance policies insuring the decedent's life and receivable by beneficiaries other than the executor be clarified by an amendment of section 811(g) of the internal revenue code to make it clearer that the proceeds of such life insurance policies are not to be included in the gross estate unless the decedent at the time of his death possessed some of the legal incidents of ownership. To this end the following amendment (by adding the italicized words) is suggested:

### Proposed Amendment

"Section 811(g) proceeds of life insurance—To the extent of the amount receivable by the executor as insurance under policies taken out by the decedent upon his own life; and to the extent of the excess over \$40,000 of the amount receivable by all other beneficiaries as insurance under policies taken out by the decedent upon his own life and of which the decedent possessed at the time of his death any of the legal incidents of ownership."

Until such time as Congress may clarify that section, the N.A.L.U. has urged the Treasury to issue a new decision similar to the famous TD 5032, but advancing the date to some future time, such as Jan. 10, 1943. This would permit policyholders to place their estates in order under existing conditions; would stop the lapsation of insurance; would stop the twisting of insurance by those who advise clients to cancel out policies containing many favorable options, features and values and to replace it with new insurance to be applied for by someone other than the insured with premium paid by someone other than the insured, such new policies containing less favorable options, features and values.

The N.A.L.U. will continue to sponsor legislation providing that proceeds of policies that are made payable to the Treasury and earmarked for purposes of federal estate taxes should themselves be exempt from federal estate taxation.

According to Mr. Zimmerman, Section 22(b) 2 of the regulations should be amended to make it clear that the proceeds of life insurance are not subject to income tax when received by a beneficiary closely related or otherwise dependent upon the bounty of the insured or by a business or by anyone else having an insurable interest in the insurance. At present, hardship is caused by the fact that if a business must be reorganized or discontinued and insurance has been purchased on the life of a key executive, if anyone other than the insured takes over the policy for a valuable consideration, then in the event of death of the insured the difference between the consideration paid and the

face amount of insurance will be subject to income tax. This forces the assured frequently to cancel off the insurance and replace it with new insurance at a loss to all concerned or if the insured is uninsurable the policy is severely penalized through income taxes because of circumstances beyond his control.

### Pension Trust Questions

Mr. Zimmerman analyzed the recommendations of the treasury department insofar as pension trusts are concerned. Because the pension trust has been recognized as a sound social instrument certain types of incentives have been given to qualified pension trusts. The Treasury Department's current recommendations are due to the fact that a few selfish individuals have endeavored through setting up of pension, profit sharing or bonus trusts to avoid payment of taxes. The N.A.L.U. is in favor of closing the loopholes of tax avoidance in connection with pension trusts.

The Treasury recommends that the contribution of the employer to the trust be fully vested in the employee; that the trust cover either 70 percent or more of the employees, excluding those who have been employed for a period of not exceeding five years or of such employees who qualify under a classification found by the commissioner not to be based upon favoritism to employees who are officers, shareholders, supervising employees or highly compensated employees; that the system of contributions and benefits should not discriminate in favor of officers, shareholders, supervising or highly compensated employees and that pension benefits of an employee shall not exceed, for example, \$7,500 per year.

The N.A.L.U. believes that full vesting of the employer's share will increase the cost to the employer of self administered and group annuity plans anywhere from 40 to 200 percent. Such an increase in cost would alter the installation of future pension plans and bring about the discontinuance of many that are now in effect. Moreover, the higher contribution of the employer the less income would flow into the Treasury from corporation taxes, since this contribution of the employer under a valid pension trust is deductible by the corporation as a legitimate business expense.

The N.A.L.U. believes that no limitation of the amount of pension should be set.

Mr. Zimmerman referred to a ruling of the department that where an em-

ployer makes a contribution to a pension, profit sharing or bonus trust if the contribution is used in the purchase of individual life insurance policies by the trust, then that portion of the employer's contribution which purchases the insurance protection shall be considered income to the employee in the year in which the contribution was made and subject to income tax. Mr. Zimmerman observed that this ruling discriminates against individual life insurance policies as a means of carrying out the provisions of pension trusts. The revenue that can be raised is so small and the complications in figuring the life insurance portion of an employer's

contribution so involved that the ruling will be extremely difficult to administer.

The Treasury Department has recommended that section 42 of the Internal revenue code be clarified. This section has been interpreted in such a way that if applied to a life insurance agent, the commuted value of deferred first year renewal commissions would be bunched in the year of death and subject to income tax in that year and then to federal estate tax. The Treasury Department recommends that the section be amended so that the deferred first year and renewal commissions would be commuted and subject to federal estate taxes but would not be subject to income



## INSURANCE CARRIES ON

During the past century Americans, by wise foresight and steady effort, have built a strong, dependable system of family security—a system whose very keystone is the ideals of the Constitution of the United States—a system of life insurance security that has protected each of us in personal and family adversity.

Today we are engaged in a great war of civilization and our life insurance protection carries on—Family security for the future as well as a steady stream of dollars for the vital war industries on which our national security depends.

Life Insurance carries on. You will find it pays to be friendly with

### PEOPLES LIFE INSURANCE CO.

"The Friendly Company"

FRANKFORT

INDIANA



Our Seventy-fifth Anniversary Year

1867



1942



## EQUITABLE LIFE OF IOWA

HOME OFFICE • DES MOINES

taxes until and as they are received by the estate or heirs.

Mr. Zimmerman recommended that there be adopted some sort of income tax saving incentive such as exists in England where there is a refund of income taxes within certain limitations to the life insurance premium payer. A memorandum will be filed with the house ways and means committee in this connection. However, this will not be pressed at the present time.

Mr. Zimmerman expressed the belief that the amendment to the law dealing with registration of pension trusts as proposed by the Securities & Exchange Commission has been abandoned. Hence, it is safe to assume that where the funds in the pension trust are invested in life insurance or annuities no registration with the SEC will be required.

Insofar as the Soldiers & Sailors Civil Relief Act and National Service Life Insurance is concerned, the committee, Mr. Zimmerman said, has started a course of action "which will be beneficial to all parties involved."

#### Benefits for Agents

If and when the social security act is amended, Mr. Zimmerman said, the life insurance man as an independent contractor will come under the old age and survivorship benefits along with professional men, agricultural workers, sole proprietors and other groups that are not now covered. The N.A.L.U. favors such a setup but it also insists that the agent must not be brought under the unemployment benefit section.

Mr. Zimmerman predicted that the act will not be amended for at least six or seven months to come.

#### Social Security Taxes

Mr. Zimmerman assailed the recommendation of the President that social security taxes be increased to a point where two billion dollars of additional revenue will result and the benefits of the act be expanded to include hospitalization, accident and health and increased unemployment compensation benefits. An increase in social security taxes over and above the point needed to support benefits is dishonest and dangerous, he declared. If the administration desires to increase revenue through payroll taxes similar to social security taxes for current operating expenses of the government then the administration should in so many words inform the people that it is proposing a payroll tax. If social security taxes are increased with no corresponding increase in benefits then within a short time there will be a demand for increased and expanded benefits, and to do so would make social security a political football. The taxes today that are being collected for social security benefits are being used for the every day running expenses of the government and when the benefits become due it will be necessary to tax the public all over again so that they may be paid. If the benefits are further expanded there is grave danger that the entire structure will collapse.

Mr. Zimmerman stated that there have been many other proposals made to Congress that are dangerous. For instance, there are proposals to furnish national service life insurance to civilian workers in government industries; to furnish compensation indemnity and death benefits to those engaged in civilian defense duties whether voluntary workers or paid workers; proposals to give \$5,000 or \$10,000 of group insurance to all service men; to remove the \$10,000 limit on national service insurance; to give each man in the armed services \$5,000 of paid up life insurance. If the army should be extended to include 10,000,000 men and each was given \$5,000 of paid up insurance that would eventually cost the taxpayers 50 billions of dollars.

None of these proposals are really insurance measures, he declared. They are in effect pensions, bonuses, outright gratuities.

Albert Hirst's booklet "When a Man Dies" should be in the hands of every one of your large clients. Four copies \$1. Order from National Underwriter.

## Sale of Foreclosed Real Estate Urged

(CONTINUED FROM PAGE 3)

whose wages have already increased considerably and who because of unionization will be able to maintain the present scale even after the war. This indicates a fairly good demand for houses as well as apartments catering to people with an income below \$5,000.

Of even greater importance, said Dr. Nadler, is the role which the government may play in housing after the war. Plans to counteract post war deflationary forces center a great deal about housing. This means increased building financed through the aid of the F. H. A. as well as large slum clearance projects. Past experience indicates that increased building activity, resulting in modern, lower rent housing with all the latest improvements has an adverse effect on older real estate, particularly older apartment houses catering to people with small incomes who at the first opportunity will leave to move into new projects erected by the government. The role that the government is bound to play in the post war reconstruction period in housing should be carefully considered by real estate owners and mortgagees in appraising the future value of properties they hold, Dr. Nadler warned.

#### Bearish on N. Y. City

Dr. Nadler drew a somewhat pessimistic picture of New York City and the greater metropolitan districts. He mentioned the considerable exodus of many lines which formerly made New York a great industrial center. The financial center of New York has already suffered and it is doubtful whether it will ever regain its previous position. Decentralization has already set in and the head offices of many corporations have already been moved out of New York City. This trend may continue during and after the war and may be accentuated by the decentralization of industry that is taking place.

Another factor affecting New York City, said Dr. Nadler, is that the economic center of the world has shifted to the western hemisphere and it is likely that the shipping from Gulf ports and from the west coast will play a much more important role than ever before, with trade with Europe being relegated to a position of much less importance than before the war. In addition, there is at least a possibility that increased use of the airplane may accelerate the decentralization of industry, Dr. Nadler observed.

#### Offers Specific Suggestions

Dr. Nadler offered the following suggestions as the best policy under the present circumstances for institutions like life companies and savings banks: Sell as much real estate as possible. In doing so, two objectives are achieved, the institutions' assets are strengthened and the people's purchasing power is reduced. The latter is of the utmost importance at present when the demand for merchandise is surpassing the supply.

Second, all mortgages should have amortization provisions. Wherever pos-

sible these amortizations should be increased. This applies particularly to those borrowers whose income has materially increased as a result of the war effort. Increasing the amortization will improve the mortgages and at the same time reduce the purchasing power of the people. Another reason for doing everything possible to increase the equity of the owners is that when repair and maintenance of property are becoming so much more difficult and expensive than in the past, repair bills may accumulate and then there is the danger that after the war a number of home owners may turn their properties over to the mortgagees and apply the money that it would cost to repair the buildings toward the purchase of new homes.

Dr. Nadler said that while the real estate and mortgage problem confronting institutional investors is a serious one, yet in view of the increase in real estate values that is bound to take place during the war these institutions are offered the possibility of liquidating most of these problems and putting themselves in a position to play an important role in the country's economic life.

## Drop Objectionable Feature of Bill

(CONTINUED FROM PAGE 3)

child even though they did not work or live in New York state.

Some life insurance men felt that the proposed amendment was broad enough to permit writing group life insurance on employees anywhere in the world so long as the applicant—the employer—was located in New York state. However, not only did the New York department take a contrary view but Mr. Roosevelt wrote to C. D. Connell, general agent Provident Mutual, New

York City, and chairman of the general committee of the New York State Life Underwriters Association, giving assurance that the savings bank life insurance trustees had no intention of writing group insurance outside New York state and pledging support of an amendment at next year's session which would make this perfectly clear.

It was not practicable to alter the provision in the present bill, as by the time the question came up the bill had advanced so far that its chances of passage would have been seriously jeopardized by having the change made.

#### H. W. Day Made Office Manager

Harry W. Day has become office manager in charge of Hays & Bradstreet, general agents New England Mutual Life in Los Angeles.

Following graduation from the University of Oklahoma in 1930, he was selected by Equitable Society for training at the home office for cashier duties. He served in the cashier's office of the Oakland agency of Equitable, and then went to Los Angeles.

#### Agency Fetes Masterson

In recognition of his 32d anniversary with Equitable Society, W. H. Masterson, Newark manager, was tendered a luncheon by his agency staff. He went to Newark in 1910 as assistant cashier, became cashier about a year later and manager in 1925.

He is vice-president of the General Agents & Managers Association of Northern New Jersey.

## THE PROVIDENT LIFE INSURANCE COMPANY

BISMARCK, NO. DAK.

Service... Maintaining an intimate, personalized relationship with its policyholders and agents.

★ ★ ★

Experience... Officials long in the field, assuring a thorough knowledge of requirements and valuable assistance.

★ ★ ★

Stability... Twenty-six years of conservative growth based on sound financial principles.

Established  in 1916

WESTERN OFFICE  
BROADWAY-OAK BUILDING  
PORTLAND, OREGON



... A real opportunity for the right man to qualify for a general agency contract with

CENTRAL LIFE of ILLINOIS

INVESTIGATE TODAY!

**Central Life**  
INSURANCE COMPANY  
of Illinois

ALFRED MacARTHUR, PRESIDENT  
211 WEST WACKER DRIVE, CHICAGO

#### FARM MORTGAGES

Long established La Salle Street (Chicago) Farm Mortgage Banker is in position to place large volume of farm and suburban, first mortgages within 60 mile radius of Chicago. 4 and 4½ percent interest. 10 Year loans. Desires to act as loan correspondent for life insurance company in this area. Address P-52, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.



## Commonwealth Agency Marks 10th Year



The 10th anniversary of Commonwealth Life's northeastern Ohio agency was celebrated recently with a dinner at Youngstown. Appearing in the above photograph are Marcel Dreyfus, who opened the Youngstown and Cleveland territory for the company and is still general agent for that area; Morton Boyd, president of the company; S. T. Weinstein, associate general agent; A. Walton Litz, manager of ordinary agencies; Louis Rosenbaum, special repre-

sentative. Cutting the cake is Jule Dreyfus, daughter of Mr. Dreyfus.

Gayle Prather, home office supervisor, acted as toastmaster for the occasion. President Boyd and Mr. Litz took part in the program. Joe Letto, secretary to the mayor of Youngstown, and Jack Sickinen, president of the Youngstown Life Underwriters Association, were guest speakers.

The Dreyfus agency led the company in ordinary production in 1941.

## "Ad" Men Have Big Meeting in N. Y.

(CONTINUED FROM PAGE 4)

The trend toward government control will be pushed by many in government during the war.

Of all investments made by the American public in the last 15 years, life insurance has proved safest and the best, he said. It certainly has been better than common stocks. It has been better than real estate. In New York real estate is selling at 50 percent of its assessed valuation—not 50 cents on the dollar at some fancy 1929 price, but 50 cents on the dollar valuations set by the city for taxing purposes. In-

assistant secretary Prudential, who told what the advertising department can do for the agent. A prospect's mind must be put through three steps, interest, desire and motivation, before he buys anything. Motivation is simply the process of making the value seem greater than the cost.

Interest can be aroused by telling the prospect something he doesn't know or by reminding him of something he has overlooked. Mr. Gray suggested three questions to arouse interest: "Have you ever heard of a doctor being pensioned by his patients?" "What would you think of a plan that would enable you to make your will, before you had even made your money, and still know that the terms of that will could be carried out?" "If you could get a substantial discount on your inheritance tax by paying it now, would you be interested?"

Desire is created by telling the prospect what life insurance will do for him and enable him to do for those who are so dependent on his doing it, he said. Then, meet his objections by insisting that he buys life insurance, as he buys everything else, not with money but with the things he does without.

### N. A. White's Paper Excellent

Nelson A. White, Provident Mutual, was unable to attend because of illness and his paper was read by C. Sumner Davis of the same company.

Mr. White stated that in spite of the war crisis people have not changed in their attitude toward life insurance. While markets may shift, the sales task remains practically the same. The big question is, "What do people think of the institution of life insurance as a mechanism for winning the war?" The job is to tell them of the essential function of life insurance in the American economy, of its investment in government bonds, in industries supplying the materials of war, etc. The constant flow of life insurance payments to beneficiaries and policyholders is a cushion of security that builds and maintains morale.

Mr. White pointed out that no government will act counter to public opinion, and no public opinion will act

counter to its own welfare if properly and amply informed.

Mr. White commented on the progress the L.A.A. has made in its nine years. There were 42 at the opening session. Today there are 135 member companies.

H. A. Richmond, Metropolitan Life, presided over the first day's session and David W. Tibbott, New England Mutual, was chairman at the closed session on Friday.

The war situation may not make women good prospects for life insurance, but should make it more apparent to life insurance companies that they always have been. Miss Margaret Divver, John Hancock Mutual, said in a discussion of changes in market caused by war. It is estimated that 2,000,000 women workers will be needed in defense industries, and their earnings will be substantial. Until they come into the foreground new business can be produced among women now employed and sales can be developed to women along new lines. Miss Divver suggested cultivation of a potential market which has been overlooked up to now, that of women in the home. Women can be sold life insurance as readily as men, she said.

George H. Kelley, New York Life,

said life insurance men no longer should envy those with something tangible to sell; there are no priorities on life insurance. But life advertisers do have to use paper, ink and engravings judiciously. He advised elimination of booklets that don't give full value, and in those used the window dressing should be cut out. Slightly heavier type faces will help on inferior paper, and photos should be retouched.

E. Paul Hutter, second vice-president, Penn Mutual, and Earl R. Tramm, Metropolitan Life, participated in the closed session.

H. W. Roden, president Harold H. Clapp, Inc., Jersey City, spoke at the luncheon Friday. He said that in this war advertising has a great opportunity to take the offensive, to demonstrate its power and ability in disseminating war information and instruction.

Henry Hoke, editor of The Reporter of Direct Mail Advertising emphasized the need of continuing advertising during the war to keep the business, name known to the public. One large company whose products have been "frozen" by priorities is continuing its advertising in as full a way as ever so that its name will not be forgotten when people can buy from it again. Mr. Hoke made several suggestions for

# Strong

# Progressive

Are You Willing to WORK for a Company Which Is Willing to WORK with You?

## NORTH AMERICAN LIFE INSURANCE COMPANY

### OF CHICAGO.

E. S. ASHBROOK  
President

JOHN H. McNAMARA  
Founder

PAUL McNAMARA  
Vice-President

NORTH AMERICAN BUILDING, CHICAGO, ILLINOIS



Life Advertisers Association officers at Eastern Round Table meeting:

Bart Leiper, Provident Life & Accident, vice-president; Harry V. Wade, Standard Life, Ind., treasurer; and A. Scott Anderson, Equitable Life, Ia., president.

Insurance has been better than mortgages, and it has been better than many bonds. But how many policyholders realize that? How many Congressmen and brain trusters?

With heavier taxes and purchases of war bonds the emphasis for the duration should be on low cost protection, he suggested, with advertising directed to the industrial worker and the farm group. But, he cautioned, after the war the financial status of some of these industrial workers and farmers will decline. It did temporarily for the worker after 1918, and for the farmer much longer. So selling efforts must be gauged to what these individuals can reasonably be expected to carry on after the war boom.

One of the outstanding talks of the meeting was given by A. E. N. Gray,



## In Your "BATTLE of PRODUCTION!"

SPEED-UP your prospecting and create a constant flow of sales closing interviews with CALE-METER—the thrift inducing calendar bank. Helps overcome objections and postponements — gets closing action. Apply this vital selling tool in your sales work. See for yourself how it can make your perpetual "battle of production" more pleasant and profitable. Tested plans show you how.



### GET THIS NEW PORTFOLIO—"MORE BUSINESS"

It features a new, result producing direct mail plan, timely and workable sales ideas, sales talks and selling plans that show you how to turn prospects into policyholders and make your policyholders become prospects for additional insurance. Send today for this special sample offer and start reaping your full share of today's increased business opportunities.

Sample ESTATE CALEMETER complete with portfolio. "MORE BUSINESS" postpaid.. \$1.00

For the portfolio itself, send 25c in stamps or coin to cover mailing costs.

HOME OFFICE EXECUTIVES: Your company ad can be permanently embossed on each CALEMETER providing long lasting goodwill advertising. Write for sample and quantity prices!



ZELL PRODUCTS CORP. 536 BROADWAY, NEW YORK, N. Y.

Helps You—  
→ CLOSE MORE SALES  
→ SECURE MORE INTERVIEWS  
→ EXTEND CONTACTS  
→ BUILD GOODWILL

using direct mail in war. They are: Venture into new markets because these are changing; try for simplicity in format and style; organize material requirements and remember Pearl Harbor but don't wave the flag.

## IN U. S. WAR SERVICE

Three men of the Chicago office of **Fred S. James & Co.** have been named second lieutenants in the army. John Willis, assistant to C. F. Lundquist, manager of the life and accident department, was commissioned from reserve in the infantry and assigned to Fort Benning, Ga. Henry U. Howland of the same department has been assigned to **Fort Lewis, Wash.** **Herbert L. Nichols** broker, was commissioned in the artillery after training at Fort Sill. He entered service as a private in the draft.

Three more members of the **Ohio State Life** staff have joined the armed forces. They are Arthur Geyer and George D. Weakley of the home office staff and Thomas Bonacci, formerly of the home office, now with the Pittsburgh agency. Ralph E. Pottker, associate general agent at Peoria, is a navy lieutenant on duty in the Pacific area.

**Ed Muhsfeld**, superintendent of home office building of Pacific Mutual Life, is now on duty as a first lieutenant in the ordnance department, U. S. Army.

**Eugene Boisabuin**, General American Life, St. Louis, is now in service as ensign in the navy.

**Ralph C. Lowes**, who for many years was with his father, the late R. C. Lowes, Sr., as general agent of Lincoln National Life at Peoria, Ill., now is a lieutenant commander in the navy. He passed through Chicago last week en route to the Pacific Coast. Lt. Com. Lowes is an Annapolis graduate and served in the first world war.

**James D. King**, general agent Berkshire Life in Baltimore, has enlisted in the navy with the commission of lieutenant-commander. He is at present stationed in Washington.

**John Floyd**, Northwestern Mutual district agent at Arkansas City, Kan., for 30 years and a former vice-president of the Kansas Life Underwriters Association, has reported for active service in the army at Omaha with a captain's commission.

**Frank W. Sutton**, Equitable Society, national committeeman and past president of the Coffeyville (Kan.) Life Underwriters Association, is now a captain in the army, stationed in Washington, D. C.

**Carl Ledgerwood**, for several years agency director in St. Paul of New York Life, has entered the administrative branch of the army as a major. He is succeeded in St. Paul by S. A. Geise, recently agency director at Eau Claire, Wis.

**J. Smith Ferebee**, one of the outstanding agents of the Warren V. Woody agency of Equitable Society in Chicago the past two years, has entered service with the navy. He is a lieutenant, senior grade, with headquarters in Chicago. Mr. Ferebee received national newspaper attention several years ago when he won a four-day, 600-hole transcontinental golf marathon. This he undertook as the result of a wager with a Chicago associate for half of a Virginia plantation. The bet provided for the playing of 600 holes of golf in four days, a minimum of 72 in each of eight cities from coast to coast. He made his way across country by plane, and played a good many of the holes after dark, aided by floodlights.

**Ernest Palmer, Jr.**, young Chicago attorney and son of the former insurance director of Illinois, has received an ensign's commission and is with the Navy procurement office in Chicago. His brother, **Bradley Palmer**, who is special agent for Aetna Casualty in Chicago,

has been sworn in and will enter the ensigns' training school at Abbott Hall in Chicago this summer.

**Richard B. Porter** of the J. H. Cowles agency of Provident Mutual Life in Los Angeles has been called into service as a captain in the army. He reported to Ft. Douglas, Utah, for assignment. He served in the first world war as a captain of artillery.

**Jay "Ducky" Holmes**, general agent in Pittsburgh for Northwestern National Life, famed football player years ago at University of Nebraska, and for 21 years a football official, has returned to army service as a major in the infantry at Fort Meade. He was a captain in the first war and later received a major's commission.

**Charles F. Harris**, supervisor of applications of State Mutual Life, has been called to active duty as a captain in the army finance department, in Washington. He was given a farewell dinner by 40 associates, who presented him an order for army equipment, and a bound volume of signatures of those present. **Donald F. Mix**, manager of conservation of State Mutual, was toastmaster. **Chandler Bullock**, president, and **Ross B. Gordon**, vice-president, attended. Mr. Harris was an aviator in the first world war.

## Plans Under Way for Kan. Short Course Aug. 3-15

The second short course in life underwriting jointly sponsored by the Kansas State Association of Life Underwriters and the National association will be held at the University of Kansas, Lawrence, Aug. 3-15. The first course given last year was in the nature of an experiment and proved highly successful. Agents and home office men attended from Oklahoma, Nebraska, Missouri, Colorado and Kansas.

A basic course is presented the first week, designed especially for less experienced underwriters and dealing primarily with situations in small cities, towns and rural communities. The advanced course is given the second week, covering properties and their income in comparison with life insurance and current problems affecting the business. The faculty is composed of university people and insurance men and the course is interspersed with open forum discussions.

## Sue on Cal. Annuity Tax

SAN FRANCISCO—Five life companies have filed complaints in superior court here against the state board of equalization to recover taxes paid on annuity premiums under protest.

The complainants state that taxes were levied on certain considerations and deposits received in 1941 and that the board should have deducted refunds and cash values paid to holders of annuity contracts.

The total amount involved in the suits is \$241,486.

Companies filing the suits are Aetna Life, National Life of Vermont, Equitable Society, Fidelity Mutual Life and Phoenix Mutual Life.

Subscribe to **Accident & Health Review**, \$2. 175 W. Jackson Blvd., Chicago.

### Loans

ON

## LIFE RENEWALS

SELF-LIQUIDATING  
UP TO THREE YEAR MATURITY

**\$4.00**  
PER HUNDRED PER YEAR

WRITE TO DEPT. C

**Life Underwriters Credit Corporation**

NORTHWESTERN BANK BLDG., MINNEAPOLIS, MINNESOTA

## More Stress on Term in "Barron's"

NEW YORK—The hidden values in life insurance are still hidden, for all that can be gleaned from "Barron's" fourth article devoted to "Hidden Values in Your Life Insurance." In this week's piece Author B. W. Levmore takes up the variations from the standard contracts, such as family income, family protection, and mortgage protection. He concedes that they are good contracts for certain situations but in each case points out that the same result could be gained by buying the term portion separately.

In the family income contract he criticizes the fact that the decrease in the term portion year by year cannot be arrested if changing circumstances were to make this desirable. Of the family protection policy he says: "... This is a

useful contract but contains nothing that could not be bought separately—provided the purchasing were intelligent. And one disadvantage remains. The program is rigid. There can be little change. If two separate policies provided the same program there would be the added advantage of greater opportunity for alterations in case the family situation changes."

Mr. Levmore doesn't like the mandatory automatic reductions in the coverage on mortgage protection policies though he concedes that "in some cases such policies can be recommended, as when there is a fixed income from a dependable source." This would seem to toss the mortgage protection policy idea out of the window except in very rare situations.

The "Boosters Club" of the **Hackensack, N. J.**, district of John Hancock Mutual Life, has elected A. E. Zimmerman president; P. J. Orsini, vice-president; R. V. Bennett, secretary.

## A Record of Continued Progress

SOME SALIENT STATISTICS TAKEN FROM THE ANNUAL INSURANCE REPORT OF THE

## CATHOLIC ORDER of FORESTERS

YEAR ENDING DECEMBER 31, 1941

Received from Members.....	\$2,702,115.12
Interest on Bonds in Reserve Fund.....	1,615,945.40
Gross PROFIT on Sale of Maturity of Bonds.....	16,768.17
Total Income from all Sources.....	4,579,217.99
Total Assets.....	\$40,969,062.56

### Paid During 1941:

Death Claims.....	\$ 2,025,759.17
Permanent Disability Claims.....	11,145.00
Double Indemnity Benefits.....	7,500.00
Cash Surrenders and Old Age Settlements.....	643,798.46
Annual Dividend.....	211,479.18

Total Benefits and Payments to Members.....\$2,903,587.70

### Record for Past Five Years

Rate of Interest Received	Actual to Expected Mortality
1937.....4.56%	1937.....80.51%
1938.....4.77%	1938.....77.90%
1939.....4.66%	1939.....77.55%
1940.....4.52%	1940.....77.56%
1941.....4.40%	1941.....75.50%

### Ratio of Solvency

1937.....	111.98%
1938.....	113.01%
1939.....	115.16%
1940.....	119.27%
1941.....	121.46%
Total Benefits Paid Since Organization.....	\$80,050,129.53

### HIGH COURT OFFICE

THOS. R. HEANEY  
High Secretary

30 North La Salle Street  
Chicago, Illinois

THOS. H. CANNON  
High Chief Ranger



ONE  
OF THE MANY  
GREAT FRATERNALS

**AID ASSOCIATION for LUTHERANS**  
APPLETON, WISCONSIN



## LEGAL RESERVE FRATERNALS

### Catholic Order of Foresters Has Strong Showing

Catholic Order of Foresters, in its 1941 annual financial statement, makes an excellent showing. Assets now amount to \$40,969,062. There was received from members last year a total of \$2,702,115 and interest received was \$1,615,945. Total income was \$4,579,217. Death claim payments amounted to \$2,025,759 and total benefits and payments to members were \$2,903,587.

The ratio of solvency stood at 121.46 as compared with 119.27 the previous year. The rate of interest received was 4.4 percent which was only minutely smaller than the 1940 record of 4.52. The mortality experience showed an improvement with a ratio of 75.5 as compared with 77.56 the previous year.

Thomas H. Cannon, high chief ranger of Catholic Order, is one of the great men in the fraternal ranks and Thomas R. Heaney, high secretary, is president of the National Fraternal Congress.

### N. Y. Calls for Disability Reserves

The New York department has directed the attention of all fraternal societies operating in the state to the code provision requiring that certain reserves be set up for disability when disability benefits are included in the contract. Generally, premiums are apportioned among the mortality, disability, expense, old age and relief funds, but the societies have not been setting aside the required reserves for disability.

The code provides rates must be adequate on the basis of tables which are based on reliable experience, with a 4 percent interest assumption. If policies provide that total disability shall be presumed permanent whenever disability has existed continuously for nine months or less, reserves must be computed on the so-called class III table, and 4 percent interest, otherwise Hunter's table and 4 percent interest.

#### Other Reserves Required

Reserves for unearned premiums and disabled lives must be maintained in accordance with standards prescribed by the superintendent in case benefits are provided for death or disability resulting solely from accident or in case of temporary disability resulting from sickness.

### Bradshaw Urges Selling Policies for Protection

Life insurance for protection purposes rather than investment was emphasized by President De Emmett Bradshaw of Woodmen of the World, Omaha, in his report to directors at the mid-year.

"Fraternalists taught the public the necessity for life insurance for family protection and that is the doctrine which we should preach today," he said. "Let us continue our appeal to protection rather than to the money-making instinct."

"There is now, and will be, increasing necessity for our fraternal service. Men will continue to hunger for genial association with individuals who are the avowed promoters of better fraternal relationships. Together with these practical ideals of service and association,

our low-cost financial security for family protection will be more and more compelling."

Mr. Bradshaw condemned the lack of war consciousness in this country and the complacency due to the idea of continental security. Our forces face the severest type of fighting, he said.

#### Commissioner Berry Talks

Commissioner Berry of Michigan will speak on "The Lodge as an Agency of Members" at the quarterly luncheon in Lansing April 6 of the Michigan Fraternal Congress. Field agents, district managers and society officers will attend. Arrangements are being made by M. C. Ladd, Gleaner Life, president state congress. Among the guests will be N. J. Williams, president Equitable Reserve.

#### Talbot Denies Press Story

LINCOLN, NEB.—R. H. Talbot, director Modern Woodmen, denied the story circulated by a press wire association that he had resigned as a result of a lawsuit in which he had been sued for \$50,000 for slander by George Hatzenbuehler of Bloomington, Ill., a former director who resigned because of a dispute over an expenditure criticized by other directors. Hatzenbuehler complained that Talbot, before witnesses, accused him of having stolen the \$5,000 involved. The jury found he had been wrongfully accused, but placed damages at \$1.

#### Plan for 3,000 in Chicago

The National Fraternal Life Insurance Week observance in Chicago will be held at 8 p. m. May 5 in the Mural Room of the Morrison hotel which accommodates 3,000 persons. The committee headed by C. D. DeBarry, Catholic Order of Foresters, met this week to make plans for entertainment and the selection of speakers.

#### Maccabees Employees Contribute

Twenty home office employees of Maccabees in Detroit donated blood to the Red Cross blood bank in a drive by the fraternal's "Victory Council" of executives and employees. The Council will serve for duration, leading war work among the 250 employees.

Mrs. Clara B. Cassidy, Georgia manager of Woodmen Circle, has been awarded the Fraternal Insurance Counsellor degree by the Fraternal Field Managers Association.

### Renewal Income Dependable Now

The financial position of a great many agents is a good deal healthier today than it was two or three or four years ago because of the very greatly improved persistency of business. In other words renewal income is something that can really be depended upon these days. There was probably never a period in the business when insurance has renewed as well as it is these days. In the depression days one of the most sickening experiences of agents was the evaporation of renewal accounts that had

been depended on, when so much business was either going right off the books or was running on extended insurance.

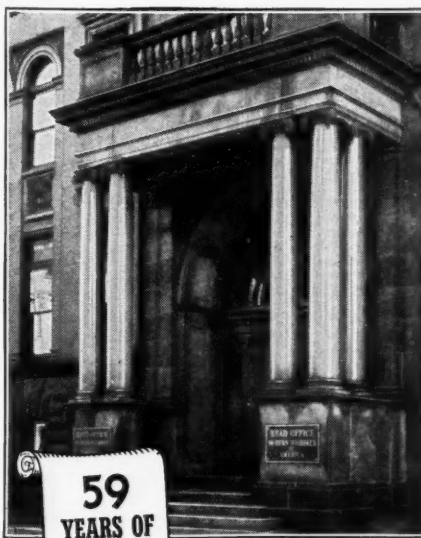
#### Cantelon Explains New Line

Gordon Cantelon of the Great-West Life agency department, who is in this country visiting the company's branches, conducted two meetings in Chicago Thursday. One was for the Great-West managers and supervisors in the territory. Mr. Cantelon explained the company's new accident and promotional plans. In the afternoon he addressed a meeting of the Decatur, Ill., and Gary-Hammond, Ind., districts, similarly telling of the new coverages.

# A \$97,500,000

## Society

Entering upon its sixtieth year, looks confidently to an ever-widening spread of fraternal life insurance service to the people of America in the years ahead.



59  
YEARS OF  
SERVICE

—1883

\$635,000,000  
paid in benefits

—1942

## MODERN WOODMEN OF AMERICA

HEAD OFFICE

ROCK ISLAND, ILLINOIS

**M**ANY thousands of words could be written about The Maccabees—how progressive it is; how modern its insurance plans; how strong its financial structure; how constant its growth. But a quick look at four simple figures tells that story more effectively than could the most glowing of adjectives. There is reflected a true measure of The Maccabees' stability and strength.

	1940	1941	Gains
Total Assets	\$ 55,514,233.11	\$ 57,876,817.59	\$ 2,362,584.48
Insurance in Force	203,960,097.00	222,979,345.00	19,019,248.00
New Business	42,763,296.00	46,903,435.00	4,140,139.00
Membership	240,301	256,000	16,000

## THE MACCABEES

DETROIT

5057 Woodward Avenue

MICHIGAN

#### THE WOMAN'S BENEFIT ASSOCIATION

Founded 1892

A Legal Reserve Fraternal Benefit Society

Bina West Miller Supreme President  
Frances D. Partridge Supreme Secretary  
Port Huron, Michigan

## New 1941 Business in Tennessee Is Given

Total new paid business in Tennessee in 1941 was \$373,294,282, of which \$121,105,115 was ordinary, \$177,918,356 was industrial, and \$74,279,811 group.

Tennessee 1941 new business for the following companies is ordinary except as indicated by "G" for group and "I" for industrial. "O" indicates ordinary for those companies writing more than one type of business.

	1941 Business
Acacia Mutual	\$ 487,795
Aetna Life	O. 2,283,337
Aetna Life	G. 9,311,689
All States Life	O. 102,300
All States Life	I. 733,998
American Life	O. 2,549,367
American National	O. 1,872,431
American National	I. 6,267,177
American United	O. 1,634,573
Atlanta Life	O. 141,327
Atlanta Life	I. 2,775,614
Atlantic Life	O. 810,051
Bankers Life, Ia.	O. 851,168
Business Men's Assur.	O. 625,750
Columbian Mutual	O. 2,587,677
Commonwealth Life	O. 3,150,695
Connecticut General	O. 273,326
Connecticut General	G. 9,255
Connecticut Mutual	O. 2,197,937
Conservative Life	O. 176,739
Consolidated L. & Bur.	O. 4,205,777
Continental Assur.	O. 86,884
Cosmopolitan Life	O. 6,965,500
Credit Life	O. 10,298,139
Credit Life	O. 2,959
Equitable Society	O. 375,312
Equitable Society	G. 3,160,952
Equitable Society	G. 5,986,353
Equitable of Iowa	O. 817,668
Eureka-Maryland	O. 8,000
Expressmen's Mutual	O. 103,029
Federal Life & Cas.	O. 19,500
Federal Life	O. 14,500
Fidelity Mutual	O. 225,006
Franklin Life	O. 298,704
General American	O. 292,300
General American	G. 366,091
Great Northern	O. 18,000
Guarantee Mutual	O. 308,077
Guardian Life	O. 514,697
Home Beneficial Life	O. 2,167,355
Home Beneficial Life	O. 24,908,783
Industrial L. & H.	O. 12,642,795
Interstate L. & A.	O. 1,206,568
Interstate L. & A.	O. 17,735,077
Jefferson Standard	O. 2,215,912
John Hancock Mutual	O. 1,543,537
John Hancock Mutual	O. 69,421
John Hancock Mutual	G. 1,354,669
Kansas City Life	O. 53,000
Kentucky Home Mut.	O. 143,950
Kentucky Home Mut.	G. 268,410
Lafayette Life	O. 1,209,284
Lamar Life	O. 416,164
Liberty National	O. 1,740,146
Liberty National	O. 4,537,714
Life & Casualty	O. 19,651,273
Lincoln National	O. 2,354,342
Lincoln National	G. 83,639
Massachusetts Mut.	O. 4,068,604
Massachusetts Protective	O. 69,559
Metropolitan Life	O. 11,862,810
Metropolitan Life	O. 7,602,331
Metropolitan Life	G. 20,239,442
Minnesota Mut.	O. 832,527
Minnesota Mut.	G. 132,400
Morris Plan	O. 3,187,531
Mutual Benefit	O. 883,909
Mutual Life, N. Y.	O. 3,154,981
National Burial	O. 11,042,218
National Equity	O. 10,500
National L. & A.	O. 8,359,026
National L. & A.	O. 17,318,129
National L. & A.	G. 1,744,817
National Life, Ia.	O. 138,500
National Life, Va.	O. 385,259
New England Mut.	O. 2,629,462
New York Life	O. 5,883,736
North Carolina Mut.	O. 123,000
North Carolina Mut.	O. 1,907,859
Northwestern Mut.	O. 2,907,960
Northwestern National	O. 656,951
Northwestern National	G. 1,808,000
Old Republic Credit	O. 3,668,644
Pacific Mutual	O. 334,650
Pan-American Life	O. 258,785
Paul Revere Life	O. 200,794
Penn Mutual	O. 2,416,274
Phoenix Mutual	O. 804,535
Pilot Life	O. 1,740,436
Protective Life	O. 151,700
Protective Life	G. 3,816
Provident L. & A.	O. 2,204,478
Provident L. & A.	G. 3,415,550
Provident Mut.	O. 964,044
Prudential	O. 4,289,451
Prudential	O. 1,305,516
Prudential	G. 7,977,152
Reliance Life	O. 1,443,764
Security L. & A.	O. 84,533
Security Life & Trust	O. 1,308,047
Security Mut., N. Y.	O. 28,349
Shenandoah Life	O. 2,843,618
Southeastern L.	O. 656,146
Southeastern L.	G. 21,618
Standard L. Miss.	O. 1,090,288
Standard L. Miss.	O. 9,938,470
State Farm Life	O. 225,907
State Life, Ind.	O. 461,356
State Mutual, Mass.	O. 2,025,674
Sun Life, Can.	O. 1,151,950
Sun Life, Can.	G. 3,870,654
Supreme Liberty	O. 179,740
Supreme Liberty	O. 12,295,245
Travelers	O. 3,272,430
Travelers	G. 6,125,014
Union Central	O. 1,551,518
Union Protective Assur.	O. 2,225,180
United Benefit L.	O. 892,996
Universal Life, Tenn.	O. 1,036,658

## 1941 Business in Kentucky

Herewith are presented the figures on paid business in Kentucky during 1941. Unless otherwise indicated the business shown is ordinary life. Where a company writes both ordinary and industrial, the ordinary is indicated by "O" and the industrial by "I":

	1941 Business
Acacia Mutual	\$1,045,040
Aetna Life	O. 1,924,804
Alliance Life	O. 207,804
All States Life	O. 267,500
American Life	O. 1,410,230
American L. & Acci.	O. 3,363,683
American L. & Acci.	O. 2,000
American National	O. 525,371
American National	O. 910,000
American United	O. 3,474,822
American United	O. 1,357,843
Atlanta Life	O. 4,623
Atlantic Life	O. 96,551
Bankers Life, Ia.	O. 987,258
Bankers National	O. 144,154
Berkshire Life	O. 47,116
Business Men's Assur.	O. 740,093
Commonwealth Life	O. 8,265,490
Commonwealth Life	O. 4,443,552
Connecticut Mutual	O. 1,523,106
Continental Assur.	O. 311,234
Credit Life	O. 320,653
Cuna Mutual	O. 379,521
Cuna Mutual	O. 379,521
Domestic L. & Acci.	O. 1,865,390
Domestic L. & Acci.	O. 52,000
Equitable of Iowa	O. 370,325
Equitable Society	O. 1,902,188
Expressmen's Mutual	O. 21,009
Federal Life	O. 4,500
Fidelity Mutual	O. 1,348,006
Franklin Life	O. 167,000
George Washington	O. 5,724,814
Great Northern	O. 24,922
Guarantee Mutual	O. 346,924
Guardian Life	O. 436,813
Home Life, N. Y.	O. 515,881
Jefferson Standard	O. 1,546,259
John Hancock	O. 3,077,245
John Hancock	O. 240,859
Kansas City Life	O. 582,961
Kentucky Central L. & A.	O. 4,437,358
Kentucky Central L. & A.	O. 850,500
Kentucky Home Mutual	O. 1,167,747
Liberty National	O. 64,485
Life & Casualty	O. 1,529,898
Life & Casualty	O. 1,612,908
Life of Virginia	O. 629,920
Life of Virginia	O. 65,499
Lincoln Income	O. 686,829
Lincoln Income	O. 3,621,140
Mammoth L. & Acci.	O. 3,080,504
Massachusetts Mutual Life	O. 2,024,226
Massachusetts Protective	O. 123,870
Metropolitan Life	O. 1,155,831
Metropolitan Life	O. 8,987,529
Midland Mutual	O. 326,536
Minnesota Mutual	O. 537,008
Missouri	O. 460,050
Monumental Life	O. 7,661,841
Monumental Life	O. 1,071,750
Morris Plan	O. 686,664
Mutual Benefit	O. 5,088,635
Mutual Life	O. 3,351,178
National Life & Acci.	O. 3,102,904

### Something New IN LIFE INSURANCE

A Pure Protection—Ordinary or Whole Life policy without secondary banking or Cash Value features.

Low net renewal cost.

Our limited pay policies permit the withdrawal of Cash Values

Without cancelling policy

Without note, interest or reducing policy

We pay the Beneficiary Face of Policy + Cash Value + Dividends

Many other new features that appeal to thinking people

34 YEARS

Dependable service to policyholders. The sun never sets on an unpaid claim

Commissions that will interest any salesman. Precious experience not essential

Interstate Reserve Life Insurance Company  
TEN EAST PEARSON STREET, CHICAGO

National Life & Acci.	I. \$6,016,429
National Life, Iowa	O. 230,500
National Life, Va.	O. 788,460
New England Mutual	O. 2,462,447
New York Life	O. 2,779,772
Northwestern Mutual	O. 3,701,869
Northwestern National	O. 61,700
Ohio National	O. 494,952
Ohio State	O. 219,079
Old Republic Credit	O. 1,610,087
Pacific Mutual	O. 732,333
Pan-American Life	O. 89,820
Paul Revere Life	O. 150,250
Penn Mutual	O. 2,560,580
Phoenix Mutual	O. 160,000
Protective Life	O. 5,000
Provident L. & Acci.	O. 139,826
Provident Mutual	O. 1,628,518
Prudential	O. 9,153,145
Prudential	O. 6,503,894
Reliance Life	O. 2,619,988
Shenandoah Life	O. 467,509
Southeastern Life	O. 141,885
Standard Life, Ind.	O. 639,240
State Farm Life	O. 143,963
State Life, Ind.	O. 133,792
State Mutual	O. 1,215,658
Sun Life, Can.	O. 1,293,638
Superior	O. 175,530
Supreme Liberty	O. 1,240,213
Supreme Liberty	O. 39,615
Travelers	O. 845,638
Union Central	O. 1,651,585
United Benefit	O. 1,011,427
Washington National	O. 1,216,815
Washington National	O. 366,843
Western & Southern	O. 4,077,640
Western & Southern	O. 2,012,724

### Simon Conducts School in Ala.

Approximately 100 attended the business insurance school taught in Birmingham by Leon Gilbert Simon, Equitable Society, New York. The course was sponsored by the General Agents & Managers Section of the local association of which J. Frank Marshall is president and J. D. Parker is secretary. J. Orlando Ogle served as chairman of the committee in charge.

Claris Adams, president Ohio State Life, will speak before the Community Fund in Toledo April 8. The following day he will discuss "Life Insurance as a National Asset" before the Akron Association of Life Underwriters. On April 14 he will be toastmaster at the banquet of the All-Ohio Safety Congress.

Kenneth R. Jennings, 43, district manager in San Diego, Cal., of Mutual Life, died from pneumonia following a brief illness. Before joining Mutual Life, he was with Equitable Life of Iowa in San Diego. He was president of the Life Underwriters Association of San Diego.

### American United STREAMLINED FOR THE TIMES

Stripped of all non-essentials, this 65 year old mid-western life company has moulded its present organization and insurance policies—participating and non-participating—to meet current conditions. Agents are equipped to present a sure-fire program to prospects and enjoy for themselves large renewal commissions during the early years of each policy. It's "Go" for you in '42 with American United.

FOR VICTORY

Buy U.S. Government Defense bonds and stamps

AMERICAN UNITED LIFE INS. CO.  
INDIANAPOLIS, INDIANA

## Plan for Big Ohio Meeting in Dayton

Complete programs will be mailed late this week to all local association officers and general agents in Ohio for the annual meeting of the Ohio Association of Life Underwriters, May 7-9 at the Biltmore Hotel, Dayton.

"Gearing Production to a War Time Economy" has been selected as the theme of each local association and each speaker's subject will gear specifically into this general theme.

President J. C. Benson, Union Central, Cincinnati, has requested the president of each local association to name an "On to Dayton" committee. The Cincinnati association, to cooperate fully with the state meeting, has cancelled its sales congress for this year and expect to take more than 100 members to Dayton.

Ernest Quigley, liaison officer of the National Baseball League, will be the banquet speaker Friday evening. He was for many years a National League umpire and subsequently supervisor of umpires. His subject will be "Safe or Out." The banquet is expected to attract trust officers, bankers and all other business men in the Dayton area whose work naturally coordinates with that of the life underwriters.

A new feature of the meeting will be the Quarter Million Club luncheon Saturday. Certificates will be awarded to all producers in Ohio who have qualified under the rules of the club. This will be essentially a fellowship luncheon. Judge Harvey G. Straub of the municipal court of Cleveland, a noted humorist, will speak.

### Peoria Hears R. & R. Editor

The Peoria (Ill.) C.L.U. chapter held a special luncheon meeting at which Milton Elrod, Jr., R. & R., spoke on taxes. An open forum was conducted by Don Murphy, chapter president. C.L.U. men from Galesburg, Bloomington, Decatur, Springfield, Ottawa and several other cities participated.



# Sales Ideas and Suggestions

## Pros and Cons of Worker as Best Prospect Are Debated

E. R. Seese, Metropolitan Life, and J. O. Todd of H. S. Vail & Sons, representing Northwestern Mutual, in the Saturday Forum of the Chicago Association of Life Underwriters took opposite sides of the proposition heard so much nowadays that the only worthwhile prospects to be found are among persons employed by defense industries. Mr. Seese took the affirmative and Mr. Todd the negative.

"The working man wants to be independent and he doesn't want the government to do all of it," Mr. Seese said. "The salary allotment franchise superimposes life insurance on social security to accomplish decent living scales for survivors and also for the father if he survives. Above all it eliminates the critical years. Do more salary allotment work. Do a studios job, plot it and write supplementary life insurance."

### Sounds Some Warnings

Mr. Seese noted when he first went to Chicago some 18 years ago he was offered a general agency in Texas by a life insurance company with 90 percent first year commission and \$1 per thousand bonus. "Some of that rubbish has got to come out of the life insurance business or the TNEC will be back into it again," he commented.

"Assist the companies to strengthen their backbones," he urged. "Help them to reach high levels, with low expenses and all you can get for the customer."

"You can make more money with a good company at 35 percent commission than you can with a poor company at much higher commission rate. Don't get more business if you have to reach for it, but improve your quality. The acquisition cost of life insurance will be much less in future than today, or else . . . government insurance."

Mr. Seese predicted industrial insurance will not be so popular in future as in the past. However, he said, it has served a grand function. In some institutions the cost even now is low compared to ordinary in some other fine life companies.

### Investment Function Waning

He foresaw the life men departing from the bankers' function and becoming insurance men again. He said the endowment and other investment forms will be less popular. The companies are not so much interested in these types of contracts and are starting to run from the field which they should have left long ago, according to him.

"I venture the prediction that the \$1,000 policy will become extinct," Mr. Seese said. "I would like to see the thinking men of the business do a high class job on the small sized policies. Think in terms of writing \$5,000, \$10,000, etc., and leave the \$1,000 and \$2,000 for the children."

"The great market ahead is in the new aristocracy of America—the technical workers, those who are skillful with their hands. Seek that market."

"The rich are not extinct yet; they are trying to save their souls and incomes for their heirs by getting income tax exempt securities."

Mr. Seese, who is co-chairman in Chicago of the salary allotment defense bond sales, reported the plan has been placed in 2,800 Chicago plants, the pledges totaling \$600,000 a day from 1,400,000 persons. He estimated by the

end of this year the total will run \$1,000,000 daily.

Mr. Todd, a life and qualifying member of the Million Dollar Round Table, past chairman of the Chicago advisory council and speakers bureau, said he did not agree with Mr. Seese that the only worthwhile market today was among the workers. There are many problems which life insurance can solve in various strata of society. The first and primary job is that of financing the war. No other organization is so well qualified to do this as life insurance. New premium income must be secured for the companies so they can make increasing investments in government financing. Last year the companies, he said, invested in war financing a sum equivalent to about four times their new premium income. So far this year the estimate shows about 10 times. There is a limit, however, for the companies cannot liquidate their investments for this purpose. "We must get the increasing new premium income for them," he said.

### Needs Are Ever-present

Wars don't stop the need for money for great crises, such as births, deaths, old age, etc., Mr. Todd said. The people are using capital faster than ever before. Life men can capitalize on that fact and stabilize the people economically by greater spread.

"Life insurance dollars are wearing the uniform of Uncle Sam now," he said. "Life companies take care of the people's dollars, guard them and give them back to the people when they are most needed."

He predicted a year from today all life men either will be ending their best year or will be out of business. What they do now must be important to the main effort or they will find themselves forced to do something else. "Most of us no longer can live with ourselves unless what we do seems important to us in contributing to the main objective," he said. "It is no longer important merely to write life insurance for more money. We may be just a trustee for Uncle Sam until March 15."

"What use do you think the billions of the United States life insurance will be if we become a subservient nation?"

### Makes Important Point

One of the most important functions of life insurance which applies to all classes of society is preservation of the family finances for after the victory, he said. "What good would it be to go abroad and win the war, then come back to a prostrate people?"

Another problem is to siphon off the surplus earnings so as to prevent inflation. Also vital is personal payment of income taxes by the life men and purchase of defense bonds.

"There are many new taxpayers who now know what it means to pay until it hurts, and who must buy their estates in the future because they cannot accumulate them as they did in the past. How can a man still think he can do better with his money than in life insurance? It is no longer possible for a man in a lifetime to accumulate a competence."

There is a great field among corporations, where manpower is far more necessary than ever. Manpower at the top

of business and industry is being spread very thin, Mr. Todd said, because not enough well trained men are available. It is vital that the corporations be kept in financial condition that will permit them to replace key men. Life insurance can serve in this function as nothing else.

Then there is the matter of pensions for workers if they are not to be left in entire charge of the government or private business.

Mr. Todd said a man with some capital today rarely realizes the penalty he pays for having his income go through

his hands. For the mere pleasure of owning investments and deriving income from them he may be increasing his income tax bracket and greatly reducing his income. Life insurance can help solve this problem. He pointed out it is possible for a man today to accumulate \$1,500 a year for 35 years and yet at his death to have only a \$13,000 estate to show for his labors. Mr. Todd emphasized that life insurance is still worth its face amount.

The series will wind up Saturday morning at a showing of the Borden & Busse movie, "Autopsy of a Lost Sale."

## Says Financial Sacrifices Due to War Are Overstated

NEW YORK—In spite of all the talk there has been about increases in the taxes and the cost of living and the effect on the great middle income group which normally constitutes the bulk of life insurance prospects, there is not much evidence of enough sacrifices so far to have diminished the number of prospects to any great extent, E. L. Reiley, general agent Penn Mutual Life, New York City, stated at the last of the New York City Life Underwriters Association's eight Friday forums. While it will no longer be so easy for prospects to buy insurance out of surplus incomes, they should expect to make sacrifices to get the insurance they need, Mr. Reiley said.

The war situation merely gives the prospect another excuse which must be overcome by the agent. The prospect's resistance indicates that he is not convinced that he should forego something else in order to pay for the extra insurance.

### Should Speak Plainly

The agent should not feel that he has made a mistake in his presentation just because the prospect is sure he cannot afford the additional coverage. At this

point a little plain talk about sacrifices might be in order, Mr. Reiley indicated. The agent might appropriately ask the prospect what sacrifices he has made as a result of the war? Usually it will be found that the prospect has had to make very few sacrifices. The prospect must be made to realize that the need for life insurance is clear and the only question is what is to be done about it. If the prospect does not pay for the insurance now, his family will have to pay for it later. Taxes and higher living costs may make the payment of premiums more difficult, but life is never smooth anyway. Mr. Reiley suggested saying at this point:

"I am sure that you intend to provide for your family when things become difficult as well as when they are easy and the only way that you can fulfill this responsibility is to take positive action now because they need it now as much as they ever will."

Mr. Reiley emphasized the importance of the agent's strength of conviction and his courage, particularly under today's conditions when motivation must be sufficiently powerful to get people to buy even when they have no surplus income.

## Reducing Estate Transfer Costs Offers Opportunity

LOS ANGELES—In developing an estate planning situation it is advisable for an agent to make his approach on a tax saving basis with absolute subordination of life insurance at the start of negotiations, W. R. Spinney, assistant trust officer Title Insurance & Trust Company, Los Angeles, and trust officer Union Title Insurance & Trust Company, San Diego, advised before the Los Angeles C.L.U. chapter.

"When you have secured sufficient interest from your prospect to cause him to give you the necessary data upon which to work out an estate plan, you must then do a real job of planning, forgetting for the moment all about life insurance and looking conscientiously to every known means for practical avoidance of the state inheritance and income taxes without regard to your own personal interest in the matter. Only when you have done this, can you arrive at a conclusion, justified by facts, where an irreducible minimum of taxes must be paid by some means or other. You are then in an impregnable position for recommending life insurance as the most feasible and logical situation to the

existing problem, for not only is life insurance the safest, cheapest and most practical way for providing the funds necessary to meet the taxes, but in doing so it automatically solves the problem of liquidity of a vulnerable estate."

### Formerly Life Man

Mr. Spinney, who was formerly a life insurance man, covered the problem of cooperation between agents and trust officers in a practical way, surveying the situation from both sides of the fence.

As the man with the average moderate estate makes up 90 percent of an agent's prospects, it is important that the agent gear his sales approach to the problems encountered by the modest estate. For example, only the wealthy are in position to use the tax avoidance device of making gifts, and it is ridiculously impractical to press this angle with the average man. For the great majority of prospects the greatest opportunity for avoidance of estate and inheritance taxes is in the avoidance of excessive transfers of property from generation to generation. In other

words, if a man dies and leaves his property by will or by laws of succession to his wife there are probate expenses, inheritance taxes and if the estate is large enough, estate taxes. When the widow dies she passes the property on to the children with a repetition of this set of expenses and taxes, and so on when the children die and pass the property to the grandchildren of the prospect. The average estate's probate expenses often represent as great a problem as tax assessments and, therefore, in the making of estate plans, probate expenses should always be figured.

#### Estimate Probate Expenses

The rule of thumb method for estimating probate expenses is to take the legal probate fees and multiply them by two, thus including the lawyer's fees along with the executor's fees. By eliminating excessive transfers as far as possible, the irreducible tax minimum can be arrived at and the recommendations of life insurance for payment of these taxes becomes almost automatic.

To illustrate what can be done by estate planning, Mr. Spinney told of a case in which a man had \$103,000 in property and \$35,000 life insurance making a total of \$138,000. Before working out a plan for reducing the shrinkage of the estate through transfers to the widow and then to the daughter after her death, Mr. Spinney estimated that the shrinkage would have been \$30,354 or 21 percent of the estate. By planning for arrangement of the transfer, the shrinkage was reduced to \$7,332 or a savings of \$23,022. Excessive transfers of the estate can be eliminated by creation of voluntary trusts or of testamentary trusts and wills.

In many instances the best interests of the prospects can be served by trustee life insurance with power to the trustee to purchase assets from the executor to provide cash to meet demands upon the estate.

#### Can Cooperate Advantageously

Life agents and trust companies can cooperate advantageously in creating closed corporation or partnership purchase agreements. Mr. Spinney said that in approaching firms it is most advisable to present two ways of financing the agreement. One is without life insurance and the prospects should be told if they prefer it that way, it is up to them. The second way is with life insurance and the agent should undertake to make the life insurance way so much more attractive that he will be requested to secure such coverage. If the plan is worked out with a trust

officer, his recommendation for the purchase of life insurance puts the agent in a stronger position.

The trust officer can also help the agent in his relationship with attorneys, since the latter seem to resent encroachments upon their professional field and are loathe to take suggestions from salesmen no matter how good the suggestions may be. The trust company, on the other hand, is in constant touch with the legal profession, and they are used to working together in drafting wills and probating estates.

## Eye Issue of Agent in Defense Job

(CONTINUED FROM PAGE 2)

felt it would be unwise to say anything officially at this time.

Mr. Wilson said that he is fearful that the gains that have been made in the last few years in the way of eliminating part timers from the business may be lost as men leave the business and yet continue to write life insurance while engaged in well paid defense jobs. Judd C. Benson, Union Central Life, Cincinnati, said he felt the association should take a stand on part time men in defense industry. He said that some of these men are able to sell more insurance on a part time basis than they were while working full time, because they have entree to people with whom they are working in defense plants.

Frank Devitt, Capitol Life, Denver, said in Pueblo, Colo., he was told that 30 full time life insurance agents are now working for the Colorado Fuel & Iron Co., but are soliciting insurance at night. Lester Becker, Lincoln National Life, St. Louis, voiced the opinion that the agency practices agreement would cover the situation, since it would prohibit part time life insurance work in the larger cities although it would be permissible in the small towns.

W. W. Hartshorn, Metropolitan Life, Hartford, pointed out that less than one-half of the companies are signatory to the agency practices agreement. Mr. Hartshorn felt that the national council should go on record in some way.

E. T. Proctor, Northwestern Mutual, Nashville, stated that if any stand were taken, there should be a clear distinction between defense workers and those in the armed services. He said that he is writing business and putting it in the name of his men that are in the army.

Mr. Benson suggested that a resolution be prepared to express the idea that the agency practices agreement should be enforced and that those in

defense industries should not be made an exception in any wise.

Holgar Johnson, president of the Institute of Life Insurance, cautioned that if anything along this line were done it be very carefully considered, from the standpoint of public reaction. There should be no opportunity for headline writers to make any such action appear to reflect on defense workers.

James E. Rutherford, Penn Mutual Life, Seattle, stated that many of the men in the room where the meeting was being held would be called for defense work. He said that he was very much opposed to adoption of a resolution and that every case should be considered on its merits. He said it must not be forgotten that if one general agent cancels the contract of a man because he takes a defense job, another general agent is pretty sure to give that man a new resting place.

Mr. Hartshorn said that in Hartford the problem is regarded as one for the managers to solve. He said that he is very much opposed to the appointment of defense workers who have not been in the insurance business as new agents.

Allen Gates, Penn Mutual Life, Little Rock, suggested that a resolution be adopted which would permit exceptions to be made by a committee of each local association.

Homer Rogers said that he feared that no matter what sort of a resolution would be adopted it would be subject to misinterpretation. It might be made to appear that the life insurance business was obstructing the defense effort by canceling contracts with men because they go into a defense job. W. Rankin Furey, Berkshire Life, Pittsburgh, also spoke against any such resolution and on motion of Mr. Rutherford the resolution was tabled.

A. A. Dewar and Kellogg Van Winkle agencies of Equitable Society in Los Angeles and its administrative offices there have moved from the Board of Trade building to the Consolidated building.

## Two Suits Attack Okla. Premium Tax

OKLAHOMA CITY—Suits attacking validity of the 1941 act to increase the premium tax from 2 percent to 4 percent have been filed in both state and federal courts.

Great Northern Life in a federal court suit asserted the act as in violation of the federal constitution because of discrimination and in violation of the Oklahoma constitution in that it imposes a levy for an unauthorized purpose. The company asked judgment of \$8,198 as taxes paid under protest.

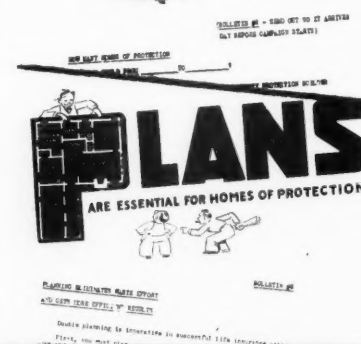
Lincoln National Life in a district court suit attacked the act in the first phase of its complaint that the state has illegally collected the tax on 1941 premiums paid prior to April 25, effective date of the act. In the second section, the company asked that cash surrender values paid Oklahoma policyholders be admitted as deductions in computing the tax. Should the courts grant the petition, a revenue loss of \$700,000 is in prospect.

Some companies have paid the higher tax under protest and others accepted the increased levy.

#### Financial Prevention Blackout

At the "Financial Prevention Blackout" session in Newark, Beatrice Jones, president New York City Life Underwriters Association, outlined the various types of life insurance and needs that would prevent financial stress when the breadwinner is taken out of the family picture. R. B. Thompson, sales promotion manager Mutual Benefit Life, explained in detail the programming of an estate using social security as a base, amplified by life insurance. Gilbert Stephenson, American Bankers Association, spoke on "Trusts Under War Conditions," and Dr. Lillian Gilbreth, consulting engineer, discussed home making.

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The Lincoln, Neb., Association of Life Underwriters maintains a membership roster on which individually framed pictures of paid members are mounted. The board has been on display in various store fronts and bank lobbies and eventually it will be placed on the wall in the chamber of commerce office. The idea has stimulated membership and prompt payment of dues. Left to right are:

C. B. Dobbs, Mutual Benefit, national committeeman; John A. Witherspoon, Nashville, president National Association; H. A. Dillman, Security Mutual Life, Neb., publicity chairman; D. P. Riley, John Hancock, membership chairman; Roscoe Ward, New England Mutual, secretary-treasurer; and B. R. Gadd, Union Central, president.



J. G. Parker, general manager Imperial Life of Canada, and V. B. Coffin, vice-president Connecticut Mutual Life, who spoke at the New York State Life Underwriters Association's managerial conference.



President Rolland E. Irish of Union Mutual conferred with some of his eastern managers before the New York State Life Underwriters Association's conference at Saratoga Springs got under way: front row, H. W. Davin, Rochester; Mr. Irish; J. J. Letts, Buffalo; M. J. Denda, New York City (Midtown); back row, H. L. Walker, Syracuse; F. J. Colbert, Albany; and Fred T. Jordan, home office agency, Portland, Me.



At New York State Life Underwriters Association's managerial conference at Saratoga Springs, N. Y.:

Top—N. M. DeNezzo, assistant superintendent of agencies Aetna Life; C. V. Cromwell, general agent Manhattan Life, New York City; and G. W. Capen, superintendent of agencies Connecticut General Life.

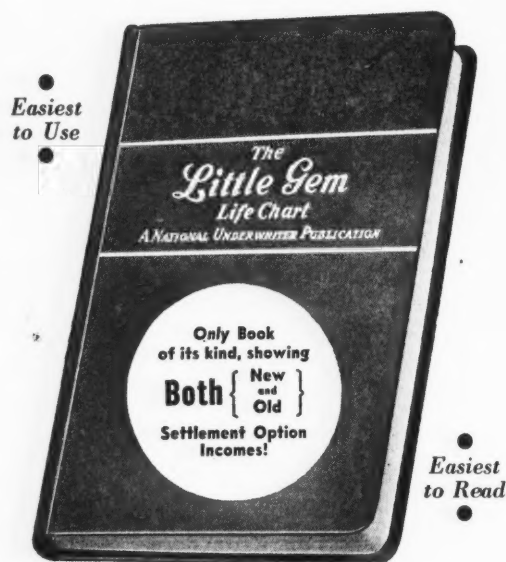
Second row: C. C. Dubuar, principal actuary; Raymond Harris, deputy superintendent; and Davis L. Shultes, senior statistician, all of the New York department.

Third row: Lester Einstein, general agent Mutual Benefit Life, New York City; Edward L. Gettings, general agent Northwestern Mutual Life, Albany, and president of the state association; and Ralph G. Engelsman, general agent Penn Mutual Life, New York City, who presided at the first day's session.

Bottom: Four John Hancock men: Roger Palmer, supervisor of field training; M. E. Fitzgerald, manager at Schenectady and president of the Schenectady Life Underwriters Association; John Martin, manager at Albany; and Manuel Camps, Jr., general agent, New York City.

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